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RENMIN RIBAO ON FALLING U.S. COMPETITIVE POWER

HK020745 Beijing RENMIN RIBAO in Chinese 29 Jun 87 p 7

[**"Special Commentary"** by Liu Jingzhu (0491 2529 4554): "Why Has the U.S. Competitive Ability Decreased?"]

[Text] U.S. foreign trade has gone from bad to worse in the 1980's. The foreign trade deficit has drastically increased from \$25.4 billion in 1980 to \$170 billion in 1986. Although the United States started to lower its exchange rates after 1985, and worked hard to expand exports and improve foreign trade, the results are insignificant.

Through a deep analysis of the U.S. foreign trade, people will find that the U.S. trade deficit with the Western developed countries has grown especially fast in recent years. Western financial circles have different opinions about this. Many people think that the United States has lost its competitive ability and the trade situation as being the same. Of course, there are many factors that can affect the trade imbalance of a country but competitive ability is obviously a factor which cannot be overlooked. The core of the "Trade, Employment, and Productivity Bill for 1987" in President Reagan's February State of the Union Address is "to enhance the competitive ability of the United States." Judging from this, the U.S. Government is indeed worrying about its competitive ability.

Generally speaking, the economic strength of the United States still ranks first in the world. However, the competitive ability of some U.S. goods in the market has greatly weakened, especially in traditional products in the manufacturing industries, such as automobiles, steel products, home appliances, garments, and so on, and the same even applies in some new technological products such as electronic products. Last year was the first time that the United States had a trade deficit in hi-tech products. Why has this problem befallen the competitive ability of the U.S. products?

First, the U.S. investment growth rate has been lower than in other Western developed countries in the past 30 years. The proportion of U.S. capital reserves in that of the world dropped from 42 percent in 1963 to 33 percent in 1977. In 1984, the proportion of U.S. fixed capital investment to its GNP was 16 percent; in Japan it was 28 percent; and in West Germany it was 20 percent. Subsequently, the U.S. Government also implemented the anti-inflation policies of retrenching the money market and raising interest rates. In addition, the bloated deficit budget has squeezed out enterprise investment and enterprises find it hard to increase their research and development funds, to carry out technological reform, and to update their equipment. Their equipment is old and their technological superiority has weakened. The product research-manufacturing-marketing cycle has lengthened. At present, the average product cycle in the U.S. is 7.4 years, in Japan it is 3.5 years, and in West Germany it is 5.6 years.

Second, although protectionism practiced by the United States does protect those industries threatened by external competition and has safeguarded the profits of the enterprises and employment for the time being this practice has lessened the opportunity for those industries to enhance their competitive ability and is also unfavorable to transferring technology, capital, and labor to industries of better competitive ability. Therefore the industrial structure has become stagnant and flexibility and adaptability are poor. With more and more industries demanding trade protection, there has been an ever greater decline in their competitive ability, forming a vicious cycle.

While practicing protectionism, the U.S. Government also vigorously supports direct transfer of capital. In the process of putting capital on an international and global basis, there is an outflow not only of capital and simple technology, but also of important technology, secrets of successful management, key blue prints of inventions, and engineering technology: Even companies and enterprises are flowing out of the country, and that causes serious "hollowness" in industry. The General Electric company closed its last color television factory in the country in 1986. In fact, many U.S. home appliances are made outside the country. Among American industries, the proportion of output value of manufacturing industry in the GNP decreased from 30 percent in the 1950's to 21 percent in 1985.

In addition, the main source of capital of American enterprises is from issuing stocks. In order to attract people to buy the stock, enterprises cannot but emphasize short-term profit and thus neglect long-term strategy for development. Once the products cannot sell, the enterprises cannot last. Their future is one of either being involved in mergers or being forced to close down.

In the United States, the relationship between the enterprises and the employees very clear. The employees can be dismissed at any time. On the other hand, when an employee finds a better job, he can resign and leave. The employee turnover rate in American enterprises is higher than that in Western Europe and Japan. Owners of enterprises are not enthusiastic about intellectual investment and staff training. According to statistics, the proportion of illiterate labor in the United States is much higher than in Western Europe and Japan. Furthermore, the proportion of university graduates majoring in engineering and technology in the United States is only 6 percent, but in West Germany it is 37 percent. With degraded labor quality and insufficient engineering and technological personnel, it is very difficult to win in competition.

Owing to the above various factors, the growth of labor productivity in U.S. manufacturing industry is slowing down day by day. The average annual increase in productivity from 1947 to 1965 was 3.3 percent, but it has decreased to 2.2 percent from 1975 to 1984, and that is lower than Western Europe and Japan. Assembling a car in the United States today takes an average of 150 to 160 work hours, but Japan only takes 80 to 100 work hours. The price of a product depends on labor productivity, which also affects competitive capability in the world. Therefore, to stop its competitive ability from plunging further, the first thing that the United States must do is boost its labor productivity, lower production costs, and improve the design and quality of its products. In fact, the United States is still powerful, with great potential, in the field of high technology. It is possible to enhance its products' competitive ability, and this requires diversified and comprehensive management. Now the United States only thinks of plans on exchange rates. It puts in twice the effort but only reaps half of the results.

ZHANG JINGFU MEETS WITH U.S. BUSINESSMEN

OW011808 Beijing XINHUA in English 1457 GMT 1 Jul 87

[Text] Beijing, July 1 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today a security management delegation from the United States led by George A. Nicholson, vice-chairman of the Smith, Hague and Company, Inc.

Zhang welcomed the American financiers to conduct technical exchanges in the field of negotiable securities in China and to cooperate in other economical fields on the basis of equality and mutual benefit with China.

Nicholson is the founder of the National Association of Investment Clubs.

During the meeting, Nicholson said, the purpose of the delegation's visit is to get a further understanding of China. He believed that China's present policies can be a promotion for its future economic development.

Composed of analysts of negotiable securities and finance, the delegation arrived here June 27. They have held a seminar on security business and are scheduled to visit Shenyang and Shanghai.

YANG SHANGKUN MEETS VISITORS FROM U.S.

OW021004 Beijing XINHUA in English 0948 GMT 2 Jul 87

[Text] Beijing, July 2 (XINHUA) -- Yang Shangkun, vice-chairman of the Central Military Commission of the People's Republic of China, met here today Bill C. Bradley, director of the Peat Marwick Main and Co., and Gainor J. Lindsey, senior vice president of the Bell Helicopter Textron Inc. of the United States, and their party.

The U.S. visitors are here as guests of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). Wang Feng, vice-chairman of the CPPCC National Committee, gave a banquet in honor of the visitors during their stay in the Chinese capital.

GORBACHEV SAYS NATO BLOCKING DISARMAMENT

OW040338 Beijing XINHUA in English 0144 GMT 4 Jul 87

[Text] Moscow, July 3 (XINHUA) -- Soviet leader Mikhail Gorbachev today accused NATO of hindering the reaching of Soviet-U.S. agreements on medium-range missiles and said signing an agreement is just a possibility.

The Soviet leader said "NATO has erected hindrances this time" because some "influential militarist groups" were not ready to renounce the old concept of confrontation between East and West and they are trying to gain advantages in an arms race.

But "There has emerged the possibility of taking a first step and signing an agreement on medium- and shorter-range missiles," Gorbachev told a banquet for visiting Indian Prime Minister Rajiv Gandhi.

He said that NATO leaders had failed to find "constructive concepts" on how to build East-West relations if nuclear weapons were eliminated and confrontation renounced.

"If the view of the NATO leaders on prospects for world development in the 21st century is presented in as simple a form as possible, what becomes exposed is their perplexity and lack of realism," he said.

The Soviet leader also accused the West of trying to dismantle the Soviet social system.

"We propose dismantling the entire system of weapons of mass killing and reducing other weapons to the level of sensible sufficiency," Gorbachev said.

"In response we are being offered a dismantling of a social system -- our system," he said, adding that the absurdity of this "dilemma" does not deserve even a refutation.

On the problems of the military threat and security in Asia and the Pacific, the Soviet leader stressed that his country was directly concerned over the issues because "A vast part of the Soviet territory lies in Asia and the Far East."

"We emphatically propose to open talks with the United States on nuclear armaments in the Asian and Pacific region and approach that problem on the basis of reciprocity and with strict account of the security interests of all," Gorbachev said.

Indian Prime Minister Gandhi arrived in Moscow yesterday for a two-day visit.

Along with Soviet leader Mikhail Gorbachev, Gandhi attended today the opening of an Indian festival here, which will last for one year, at the 100,000-seat Lenin Stadium.

The two leaders also signed today a long-term agreement on scientific and technological cooperation between the countries.

Gandhi also met today with Soviet Premier Nikolay Ryzhkov and Foreign Minister Eduard Shevardnadze to discuss issues covering "internal life of the two countries and international policies," according to the official Soviet news agency TASS.

Both sides expressed satisfaction over the high-level cooperation between the two countries and pledged to further such relations, TASS said.

The Soviet Union is India's largest arms supplier and a major trading partner. The two countries hold similar views on many international issues.

PENG CHONG MEETS, GREETS SOVIET DELEGATION

OW021430 Beijing XINHUA in English 1425 GMT 2 Jul 87

[Text] Beijing, July 2 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress (NPC) Standing Committee, met here today a delegation from the Legislative Proposals Commissions of the Soviet of the Union and the Soviet of Nationalities, of the Supreme Soviet of USSR.

The delegation is led by Georgiy P. Razumovskiy, chairman of the Legislative Proposals Commission of the Soviet of the Union of the Supreme Soviet of USSR.

After the meeting, the Law Committee of NPC held a banquet in honor of the Soviet guests. The banquet was presided over by Peng Chong in his capacity as chairman of the Law Committee.

Peng said at the banquet that China attaches great importance to learning from the experiences of other countries, especially of the socialist countries.

Razumovskiy said the Soviet Union favors strengthening and developing contacts and exchanges between the legislative organs of the two countries.

The Soviet guests arrived here this morning on a 10-day friendly visit to China at the invitation of the Law Committee of NPC.

Delegation Meets Yao Yilin

OW031338 Beijing XINHUA in English 1330 GMT 30 Jun 87

[Text] Beijing, July 3 (XINHUA) -- Chinese Vice-Premier Yao Yilin met here this afternoon a delegation from the Legislative Proposals Commissions of the Soviet of the Union and the Soviet of the Nationalities, of the Supreme Soviet of the USSR.

Yao said China and the Soviet Union have increased exchanges in the economic and cultural fields in recent years. There are similarities between the two countries in their current reforms, he said. They can explore ways for further cooperation in the fields of economy, science, technology, culture and education.

G.P. Razumovskiy, head of the delegation and chairman of the Legislative Proposals Commission, said the Soviet Union and China may share each other's experience in their socialist construction. He said the Soviet Union wishes to further strengthen its ties with China in the fields of economy, trade, science, technology and culture.

Earlier today, Peng Chong, chairman of the Law Committee of China's National People's Congress, held talks with the Soviet delegation.

BANGLADESH PRESIDENT CONTINUES VISIT; MEETS LEADERS

Holds Talks With Zhao

OW031524 Beijing XINHUA Domestic Service in Chinese 1051 GMT 3 Jul 87

[Text] Beijing, July 3 (XINHUA) -- It is China's established policy to continue to consolidate and develop Sino-Bangladesh friendship and relations of cooperation, Chinese Premier Zhao Ziyang said today.

Speaking at a two-hour talks with visiting Bangladesh President Hussain Mohammed Ershad this morning, Zhao said, China and Bangladesh, two good friends, have always supported and sympathized with each other based on mutual trust and close cooperation in both bilateral relations and international affairs.

The Chinese premier said, friendly relations between the two countries in political, economic, scientific and cultural fields have developed rapidly and smoothly since the establishment of diplomatic relations between them, and with joint efforts from both sides Sino-Bangladesh relations will continue to grow.

On bilateral trade and economic relations, Zhao said, with the constant development of political relations in recent years, the two countries have entered into cooperation of various forms under the principles of equality and mutual benefit and common progress. "This kind of cooperation, which is based on mutual benefit, has broad prospect for development," Zhao added.

Ershad said he was satisfied with the growth of Bangladesh-China friendly relations. Cooperation between the two countries in different fields has been fruitful, he said, and Bangladesh will further explore ways and means to expand existing Bangladesh-China cooperation and open up new areas of cooperation.

The president said he was pleased to see the construction of a Sino-Bangladesh primary school, and he said he has brought here the friendly sentiments of the Bangladesh Government and people toward the Chinese Government and people.

He congratulated the Chinese people on their achievements in pursuing the country's open policy and in all other work.

Referring to the regional situation, Ershad said the Bangladesh Government has always made efforts to develop friendly cooperation with other South Asian countries.

Zhao said, China sincerely hopes the South Asian countries will live in peace. "The South Asian Association for Regional Cooperation has constantly played an active role in promoting regional peace, stability and development," Zhao said, "and we pay high tribute to Bangladesh for its role in initiating regional cooperation and its untiring efforts in this regard."

During the talks the two leaders also discussed other international issues of common interest.

Wu Xueqian, state councillor and concurrently foreign minister, and Wang Wei, minister in charge of the State Family Planning Commission, were present at the talks.

Present at the talks from the Bangladesh side were Kazi Zafar Ahmed, deputy prime minister and concurrently minister of ports, shipping, and inland water transport; Humayun Rashid Chowdhury, foreign minister; and Rabiya Bhuiya, minister of social welfare and women's affairs.

Welcomed by Li Xiannian

OW030818 Beijing XINHUA in English 0811 GMT 3 Jul 87

[Text] Beijing, July 3 (XINHUA) -- Chinese President Li Xiannian and his wife, Lin Jiamei, met with Bangladesh President Hussain Mohammad Ershad and Mrs. Ershad here this morning.

Li expressed his welcome to President Ershad to China on behalf of the Chinese Government, and said that the exchange of visits between leaders of the two countries is just like paying visits to relatives.

Li said the warm reception he and his wife received during their visit to Bangladesh in March last year remained fresh in their memory.

He praised Bangladesh's achievements in developing its economy, noting that Bangladesh, a country with a large population, has made great strides in family planning work.

Li congratulated President Ershad on his recent prize of the United Nations Population Fund.

This is Ershad's fourth visit to China. He said he was very pleased to be here again among his Chinese friends.

The exchange of visits between the two leaders showed the very close relations between the two countries, Ershad said.

He expressed the belief that his current visit would help further the growth of bilateral friendly relations.

During the meeting Li briefed the president on China's domestic situation.

Prior to the meeting, Li hosted a ceremony to welcome President and Mrs. Ershad on their state visit to China at a plaza east of the Great Hall of the People in the center of the Chinese capital.

President and Mrs. Ershad drove to the plaza in the company of Wang Wei, chairman of a Chinese Government reception committee and minister in charge of the State Family Planning Commission.

The ceremony began with the playing of the national anthems of Bangladesh and China amid a 21-gun salute. Accompanied by Li Xiannian, Ershad reviewed a guard of honor made up of men of three services of the Chinese People's Liberation Army.

Present at the ceremony were State Councillor and Minister of Foreign Affairs Wu Xueqian and Vice-Chairman of the National People's Congress Standing Committee Huang Hua.

Li, Ershad Speak at Banquet

OW031714 Beijing XINHUA in English 1438 GMT 3 Jul 87

[Text] Beijing, July 3 (XINHUA) -- Chinese President Li Xiannian gave a banquet for Bangladesh President Hussain Mohammad Ershad, his wife and their party here tonight.

Speaking at the banquet, Li reviewed the smooth progress of Sino-Bangladesh relations on the basis of the five principles of peaceful coexistence since the establishment of diplomatic relations.

He said that President Ershad has all along attached importance to promoting Sino-Bangladesh relations and made important contributions to the development of bilateral friendly relations and cooperation.

Thanks to joint efforts, Li said, Ershad's proposal of erecting structures symbolizing Sino-Bangladesh friendship in the capitals of the two countries is well on the way of becoming a reality.

The construction of [the] Bangladesh-China Friendship Bridge across the Burhi Ganga River and the Sino-Bangladesh Friendship Primary School in Beijing will add new lustre to Sino-Bangladesh friendship, he added.

To further consolidate and develop the friendly relations and cooperation between China and Bangladesh not only accords with the desire and interests of the two people, Li said, but is also conducive to the promotion of South-South cooperation and to peace and stability in this region.

He expressed his belief that Ershad's current visit will further enhance the mutual understanding and friendship between the two countries and peoples and push the Sino-Bangladesh relations to a new high.

Pursuing an independent and non-aligned foreign policy in international affairs, he said, Bangladesh has made great efforts to develop relations with its neighboring countries and strengthen unity and cooperation with other Third World countries and has rendered support to the just struggles of the peoples of Afghanistan, Kampuchea and other countries, thus winning admiration from the international community.

He said that in the cause of safeguarding national independence, striving for national development and promoting world peace, the Bangladesh Government and people will continue to enjoy the support and cooperation of the Chinese Government and people.

As a near neighbor to South Asian countries, Li said, China sincerely hopes to further develop good-neighborly and friendly relations with South Asian countries.

It is also China's sincere hope that the South Asian countries will live in amity and friendship, treat each other on an equal footing, promote cooperation and attain common progress, he said.

"We are pleased to note that with the joint efforts of all the SAARC [South Asian Association for Regional Cooperation] countries, the South Asian regional cooperation initiated by Bangladesh is making positive progress. This is not only in the interests of all the people of South Asian countries, but also conducive to peace and stability in this region," he noted.

In response, Ershad said, between Bangladesh and China there has always been a bond of common interest in cooperation and building of mutually supportive relations for development, progress and prosperity.

"It is a matter of particular satisfaction for us that we have been able to design these relations according to our desire and demands of the present times through conscious and mutual efforts," he said.

He expressed the belief that his present visit would generate a further momentum for building of many more bridges of friendship and cooperation between the two traditionally friendly countries.

Ershad said Bangladesh is continuing to watch with admiration the magnificent strides towards progress and development made by China.

He said, "I have seen for myself the manifold achievements of the industrious, innovative and dedicated Chinese people through the adoption of enlightened and pragmatic policies by their leaders.

"I have every reason to believe that the friendly Chinese people will continue to register accelerated progress in their endeavors for development in all theaters of national life."

He also expressed Bangladesh's deep concern at the current international situation which is charged with manifold threats to global peace and security.

"It has been our consistent endeavor to join forces with like-minded nations and act in concert with them in the international arena for the sake of preservation of peace and security and promotion of harmony and cooperation," he said.

"In the pursuit of this and other foreign policy objectives of Bangladesh," he said, "our adherence to the principles and objectives of the U.N. Charter, the Non-Aligned Movement, Organization of the Islamic Conference and other such multilateral fora has always been total and unequivocal.

"It is this unshaken commitment which has motivated our activities regionally and internationally in striving to narrow the horizon of discord and widen the vista of understanding and cooperation between nations."

This endeavor of Bangladesh, he said, supported and shared by others, has led to the emergence in South Asia of the Association for Regional Cooperation, which promises collective benefits for the nations of this region.

Ershad reiterated Bangladesh's just stand on the Palestine issue and the Iran-Iraq war.

He also expressed deep concern over the prevailing situation in Afghanistan and Kampuchea, the increasing superpower rivalry in the Indian Ocean and the continued arms race.

The economic scene, he said, moreover, is no less alarming. The disparity between the developed and developing countries is steadily widening and a large part of the Third World is groaning under staggering debt burdens, he added.

The imbalance which is thus becoming a frightful reality does not augur well for both the developed as well as the developing countries, he said.

The necessity for a realistic North-South dialogue is imperative while at the same time the organization of South-South platform brooks no delay, Ershad said.

"These, in our view, would be first stepping-stones towards the establishment of a new international economic order," he noted.

Among those present at the banquet were Chinese President Li Xiannian's wife Lin Jiamei, senior Chinese officials and high-ranking Bangladesh officials who are accompanying Ershad.

Ershad Visits School Site

OW031726 Beijing XINHUA in English 1536 GMT 3 Jul 87

[Text] Beijing, July 3 (XINHUA) -- Visiting Bangladesh President Hussain Mohammad Ershad and his wife attended here today a ceremony for laying foundation stone for the new site of a Sino-Bangladesh primary friendship school.

Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, and Chinese State Councillor and Foreign Minister Wu Xueqian also attended the ceremony.

Deng Yingchao, widow of the late Premier Zhou Enlai, once taught in this school in 1920-1921, which is now called Beijing No. 1 Experimental Primary School.

Last November, President Ershad sent Anwar Zahid as special envoy to China to give a donation of one million U.S. dollars to the school for its rebuilding.

Speaking at the ceremony, Ershad said that Chinese students who come to study at this school will know Bangladesh and the traditional Bangladesh-Chinese friendship as they are young.

He said that he hoped to have an opportunity to visit the school after it is completed.

Meets Deng Xiaoping

OW040706 Beijing XINHUA in English 0656 GMT 4 Jul 87

[Text] Beijing, July 4 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Communist Party of China, met Bangladesh President Hussain Mohammad Ershad and principal members of his entourage here today.

Deng said China and Bangladesh are good friends, as are the leaders of the two countries. "We can open our hearts to each other and we share identical views on a series of major issues," he said.

Ershad told Deng that he has had "very good and open-hearted" talks with Chinese President Li Xiannian and Premier Zhao Ziyang on bilateral relations and the world situation.

Bangladesh is following closely China's reforms and policy of opening to the outside world, and has taken note that China's achievements have brought enormous benefits to its people, he said.

Briefing his guests on China's domestic situation, Deng said developments in recent years show that wherever the policy of reforms and opening is implemented there is success, and China will continue this policy.

"If we step up our reform and opening policy we will be able to make more rapid progress," the chairman said. "We will abide by the reform and opening policy while adhering to the leadership of the Communist Party and the socialist road."

Ershad briefed Deng on Bangladesh's development and measures the Bangladesh Government has taken. Bangladesh proceeds from its actual conditions, he said.

Deng said it is good that Bangladesh bases its development on its concrete conditions, as does China in building socialism. They must not copy the practises of foreign countries. "We should both make efforts for world peace and the development of our own countries," he said.

Present was State Councillor and Foreign Minister Wu Xueqian.

Deng Says Zhao in Charge

HK040523 Hong Kong AFP in English 0508 GMT 4 Jul 87

[Text] Beijing, July 4 (AFP) -- Chinese leader Deng Xiaoping said Saturday that premier and acting party General-Secretary Zhao Ziyang is now in charge of all China's affairs.

"Premier Zhao Ziyang is now our general house-keeper. He is in charge of all the affairs," Mr. Deng said at the start of a meeting with visiting Bangladesh President Hussain Mohammad Ershad.

Mr. Deng's remarks clearly imply that Mr. Zhao will be confirmed as party head at the Chinese Communist Party congress in October, which is expected to see an influx of younger leaders at the highest levels to replace the party's old guard, western diplomats said.

Mr. Zhao, 69, became acting party general-secretary when Hu Yaobang was forced to resign in disgrace on January 16 for alleged ideological laxness.

Mr. Zhao said in June that he would only retain one of his two posts, there being too much work for one man to keep both.

Chinese officials have assured several recent visitors, including Bulgarian leader Todor Zhivkov and North Korea's Kim Il-song, that Mr. Zhao would stay on as party head.

Mr. Deng also said that foreign press reports that China's economic reform programme had slowed down had some basis.

"The international press says that Chinese policy changes all the time ... and that the pace of reforms have slowed down."

"If one says the pace of reforms has slowed down, then perhaps there is some basis for saying so, but there is no question of the policy having changed," Mr. Deng said, in an apparent allusion to the political crisis triggered by Mr. Hu's fall.

Following Mr. Hu's resignation, conservatives within the party turned on the reformists demanding that their policies be slowed down. Observers said that it is only in the past few weeks that the reformists appear to have regained the upper hand.

Mr. Ershad arrived here Friday on his fourth official visit at the invitation of Chinese President Li Xiannian. He met Mr. Zhao the same day.

Mr. Ershad's week-long visit is intended to strengthen economic cooperation between the two countries.

Li, Ershad at Protocol Signing

OW090810 Beijing XINHUA in English 0801 GMT 4 Jul 87

[Text] Beijing, July 4 (XINHUA) -- China will assist Bangladesh in constructing the Shambhugonj road bridge, according to a protocol between the two governments signed here today.

Chinese President Li Xiannian and Bangladesh President Hussain Mohammad Ershad witnessed the signing of the protocol at the state guesthouse.

Leaves Beijing for Nanjing

OW040908 Beijing XINHUA in English 0805 GMT 4 Jul 87

[Text] Beijing, July 4 (XINHUA) -- Bangladesh President Hussain Mohammad Ershad left here by a special flight this afternoon for a tour of the east China city of Nanjing.

Chinese President Li Xiannian and his wife went to the state guesthouse to bid farewell to President Ershad and his wife.

Describing his current visit to China as "very successful," Ershad said he and his party have had a very pleasant stay in the Chinese capital.

Li told Ershad that the Bangladesh president's visit has strengthened friendship between the two countries. "The exchange of visits between leaders of the two countries is just like visits between relatives and the relations between the two countries will become closer by increasing such visits," he said.

Greeted at Nanjing Banquet

OW041654 Beijing XINHUA in English 1455 GMT 4 Jul 87

[Text] Nanjing, July 4 (XINHUA) -- Bangladesh President Hussain Mohammad Ershad, his wife and their party were honored at a banquet given by the Jiangsu Provincial People's Government here tonight.

Governor of the province Gu Xiulian presided over the banquet.

Earlier today, Ershad and his party viewed the Changjiang (Yangtze) River Bridge at Nanjing.

The Bangladesh visitors arrived here from Beijing this afternoon.

Tours Yangzhou

OW051228 Beijing XINHUA in English 1155 GMT 5 Jul 87

[Text] Nanjing, July 5 (XINHUA) -- Visiting Bangladesh President Hussain Mohammad Ershad and his party today toured Yangzhou, an ancient cultural city over 100 kilometers away from Nanjing, capital of Jiangsu Province, east China.

In Yangzhou, the Bangladesh president toured two local water conservancy projects. On his way back to Nanjing, the president got off his car to inspect the growth of rice nearby.

He told local officials that Bangladesh, an agricultural country, is striving for self-sufficiency in its grain supply. He expressed admiration for China's achievements in this regard.

Mrs. Ershad strolled around a park in Nanjing today.

HU QILI MEETS ISRAELI COMMUNIST PARTY DELEGATION

OW041010 Beijing XINHUA in English 1001 GMT 4 Jul 87

[Text] Beijing, July 4 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, praised here today the Israeli Communist Party for opposing the policy of aggression and expansion pursued by the Israeli authorities and for its untiring efforts under the difficult conditions to seek a reasonable solution to the Middle East issue.

He was speaking at a meeting with a delegation from the Communist Party of Israel headed by General Secretary Me'ir Wilner today.

Hu reiterated the consistent stand of the Chinese Communist Party and the Chinese Government in resolutely supporting Palestine and Arab countries for their just struggle to recover their lost land and to restore their legitimate national rights and in strongly condemning the Israeli authorities for their policy of aggression and expansion.

"What we oppose is the Israeli authorities' wrong policy instead of the Israeli people of different nationalities," he stressed.

Wilner, who had attended the Eighth National Congress of the Chinese Communist Party in 1956 as head of the Israeli Communist Party delegation, said he has found that great changes have taken place in China since then.

"The Chinese and Israeli Communist Parties had friendly exchanges in 1950s and now the two parties have smoothly normalized their relations through efforts from both sides," Hu said. "It is really encouraging".

Hu said he hoped that the two parties will further expand their relations. "This is not only conducive to the growth of friendship between the two parties and the two peoples but also to safeguarding world peace and promoting the progress of mankind," he added.

Wilner said the Israeli Communist Party delegation has had "friendly talks with Chinese comrades" and this showed the sincere relationships among the communists.

Hu and Wilner also had a frank exchange of views on some issues related to world situation and the international communist movement.

GANDHI SAYS PRC DISCUSSED DURING USSR VISIT

OW052149 Beijing XINHUA Service in Chinese 0656 GMT 5 Jul 87

[Text] New Delhi, 4 Jul (XINHUA) -- Indian Prime Minister Rajiv Gandhi concluded his two-day visit to the Soviet Union and returned to New Delhi today.

At the Delhi airport he talked to news reporters on his Moscow trip. He said that when he held talks with Soviet leader Gorbachev, they discussed issues concerning relations between India and China. The Soviet leader said that he "understood India's stand and its difficulties in finding ways to settle issues concerning relations between India and China," Gandhi added.

When asked whether or not the talks on the normalization of Sino-Soviet relations would affect India, Rajiv Gandhi said: "We believe that the Soviet-Chinese talks will not affect the relations between India and the Soviet Union."

Rajiv Gandhi arrived in Moscow on 2 July for an official visit. During his visit, both sides signed a comprehensive program for long-term scientific and technological cooperation between the Soviet Union and India. When Gandhi concluded his visit, the two sides did not issue a joint communique.

INDIA'S EFFORTS TO MANUFACTURE AWACS NOTED

OW021124 Beijing XINHUA in English 1104 GMT 2 Jul 87

[Text] New Delhi, July 2 (XINHUA) -- India has been making intensive efforts to manufacture its own airborne warning and control systems (AWACS), local press reported today.

The Indian-made AWACS will be operational "soon" and they are "totally indigenous" from the conceptual to the manufacturing stages, the report quoted S. Rajendran, director of the Bangalore-based electronics research and development establishment, as saying.

The Indian effort to make AWACS is "the answer to Pakistan's U.S.-acquired AWACS," Rajendran claimed.

CHI 6 Jul 87

C H I N A
NATIONAL AFFAIRS

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CPC MAKES DECISION TO EXPEL BRIBE-ASKING MEMBERS

0W040428 Beijing XINHUA Domestic Service in Chinese 0139 GMT 3 Jul 87

[Text] Beijing, 3 Jul (XINHUA) -- From now on, Communist Party members who ask for bribes must be expelled from the party whether the case is serious or minor, according to a decision made by the CPC Central Discipline Inspection Commission on 30 June.

The decision, aimed at resolutely investigating and dealing with the problem of Communist Party members asking for bribes, points out: During the past few years in our external economic activities, ugly acts of taking and asking for bribes, which were commonplace in the feudal society and capitalist world, have occurred and spread in some localities and departments. This state of affairs has aroused strong dissatisfaction among people both inside and outside the party both at home and abroad, and they have used various methods to reflect and expose the problem. This deserves the great attention of the whole party. Resolute measures must, therefore, be adopted to seriously investigate and deal with the shameless law- and discipline-offending acts of taking bribes and especially asking for bribes.

The decision states: The general principle and policy of reform, opening to the outside world, and invigorating the economy established at the 3d Plenary Session of the 11th CPC Central Committee has brought liveliness and vitality to our country's economy and resulted in the vigorous development of the socialist modernization program. In economic contacts with foreign businesspeople, most of our Communist Party members are honest in performing their official duties, abide by law and discipline, and work hard. Nonetheless, there are indeed a small number of party members, including some leading party and government cadres, who base their attitude in negotiating business and signing contracts on whether they can reap profits for themselves by taking advantage of their official posts and work. They use the terms and the amounts of contracts as bargaining chips in asking for bribes, and resort to all means to exploit the opportunity for private gain and to extort money for the purpose of filling up their own pockets. In doing so, some overtly ask for or hint at gifts of high-grade commodities. Some bargain with foreign businesspeople, begging for financial aid or hinting that they should be invited to go abroad for "inspection" or sightseeing, or that the foreign businesspeople should promise to help send their children abroad. Others brazenly ask foreign businesspeople to give them money and even ask to have their bribes deposited in foreign banks. Still others go so far as to disclose party and state secrets or sell political and economic information to obtain bribes.

The decision states: Why have such disgusting acts as giving, taking, and particularly asking for bribes come into being? One reason is that some party members cannot resist the lure of money and material goods. They thus disregard party discipline and state law, losing national and personal dignity. They do everything "merely for money" in their external economic contacts. Another reason is that some party organizations are seriously bureaucratic. They lack a sufficient understanding of the detrimental effects of this problem, fail to strictly control it or seriously investigate and deal with it, and even turn a deaf ear to it and are lax in action. Facts have proven that the despicable and shameless act of asking for bribes has damaged the party's image, disrupted its fame, and caused serious harm to the party and state both politically and economically. It has also aroused dissatisfaction among some foreign businesspeople, thus adversely affecting our foreign trade, interrupting foreign investment in our country, and impeding the smooth progress in carrying out reforms and opening to the outside world.

The acts of those who ask for bribes have provided opportunities for a few unlawful businesspeople to reap profits and have posed artificial obstacles to normal economic contacts, thus creating twists and turns in negotiations that would otherwise proceed smoothly and making it impossible to conclude transactions. In some instances, unjustifiable projects have been introduced from abroad and unnecessary equipment has been imported, causing a grave loss to the state interests. In the minds of these people, there are no such things as serving the people wholeheartedly, state interests, national dignity, party discipline, or state law. These people aim merely at private gains; they unscrupulously practice graft and offend the law and, therefore, are most detrimental. On no account should they be treated leniently and allowed to go their way. Instead, they must be heavily penalized. This is the only way to ensure the sound development of our country's external economic activities and the implementation of the reform and open policies free from interference and disruption. For this reason, the Central Discipline Inspection Commission makes the following decisions:

1. Any Communist Party member, in particular any leading cadre who is a party member, who offends the criminal law by taking or asking for a bribe, must be expelled from the party. A party member who has asked for a bribe, regardless of the method applied, must automatically confess what he or she did. Otherwise, if his or her act is discovered, he or she will be immediately subjected to the party's disciplinary action. From now on, any Communist Party member asking for a bribe, whether the case is serious or minor, must be expelled from the party.
2. No one should use any reason or pretext to pocket the normal "rebate" in economic activities, which should, without exception, be turned over to the state or the collective. Violators must be dealt with seriously according to party discipline and the law.
3. Party organizations at all levels, including discipline-inspection organs, must truly step up the education, control, and supervision of party members. In no way should the party's principle be used in exchange for something else. Those party members with the problems of asking for and taking bribes must be investigated and dealt with resolutely. If they are tolerated and not dealt with, the leadership of the party organization concerned must be held responsible.

DENG XIAOPING'S IDEAS ON REFORM OUTLINED

OW040008 Beijing XINHUA in English 2350 GMT 3 Jul 87

[Text] Beijing, July 4 (XINHUA) -- The reform of China's political structure is required for the country's modernization, long-term stability and economic reforms, according to Chinese leader Deng Xiaoping.

An article in the latest issue of the OVERSEAS EDITION of the weekly, "OUTLOOK", says that in recent years Deng has systematically outlined China's political reform.

He has pointed out the defects of China's current political structure, including bureaucracy, over-concentration of power, patriarchal methods, life tenure in leading posts, privileges of various kinds and overstaffing of administration.

Entitled "Deng Xiaoping's Guiding Thinking on the Reform of China's Political Structure," the article quoted him as saying: "Unless we reform the political structure, it will impede the development of productive forces and the success of China's modernization."

According to Deng, China's political structure has demonstrated its inability to adapt to economic and cultural developments. This inability has become more prominent with the growth of China's "planned socialist commodity economy." Deng has also said a sound political system is fundamental to the long-term stability of the country.

In 1985, Deng pointed out that urban economic reform involves not only the economic area, but also science and education, as well as the political field.

Last year, he stressed the importance of relating political reform to economic reforms. "Without the political reform we will not be able to push forward economic reforms," he said. Last year, Deng outlined the general objectives of China's political reforms as consolidating the socialist system; expanding socialist productive forces; and carrying forward socialist democracy and stimulating the initiative of the people.

According to Deng, the short-term goals of China's political reform are to maintain the vigor of the Chinese Communist Party and state; to overcome bureaucracy to improve efficiency; and arouse the initiative of the grass-roots units, workers, farmers and intellectuals.

In recent years, he has summarized the main aspects of political reform as separating the functions of the party from those of government; transferring power to a lower level; simplifying administration; reforming the functionary and personnel system; and enhancing socialist democracy and improving the socialist legal system.

The leader has also stressed the importance of carrying out political reform under the leadership of the Chinese Communist Party and in a planned, step-by-step manner.

He said that political reform must not be carried out in such a way as to launch a political movement, but should be promoted constantly along with the growth of production forces.

He also called on the whole nation to be both bold and discreet in carrying out political reform, and proceed from China's actual conditions while drawing on, with a critical eye, successful experience from other countries.

Liaowang Views Deng's Ideas

HK030610 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 26, 29 Jun 87 p 1

[*"Letter from Beijing"* by Bao Xin (7637 0207): "Deng Xiaoping and China's Reform of the Political Structure"]

[Text] Dear brother:

The 66th anniversary of the founding of the CPC falls on 1 July. The 13th CPC National Congress has also been scheduled to be held this autumn. It is expected that China will continue to deepen its economic structural reform, set about its political structural reform, and advance its reforms in an all-round way at the meeting.
[paragraph continues]

At the very moment, it is particularly significant for us to review the speech "On Reform of the System of Party and State Leadership" delivered by Deng Xiaoping at the enlarged meeting of the CPC Central Committee Political Bureau. It has been learned that the newly-compiled book "A Study of Deng Xiaoping's Ideas on Political Structure Reform" will soon be published.

Deng Xiaoping is the initiator and leader of China's political structure reform. In recent years he has made a series of scientific and profound expositions on China's political structure reform, such as its necessity, importance, objectives, scope, and main content, and the question of how to push forward this reform in light of China's practical conditions. Particularly in his speech "On Reform of the System of Party and State Leadership," he has expounded on the issue in a systematical and concentrated way. In the speech, which is regarded as a programmatic document for China's political structure reform, Deng Xiaoping pointed out that reforming the system of party and state leadership is aimed at catching up economically with developed capitalist countries, politically fostering a democracy more pure and formidable than that in capitalist countries, and training personnel who are more outstanding and talented than those in capitalist countries.

Reform of the political structure in China is an extraordinary complicated and arduous social systems engineering. Compared with reform of the economic structure, it involves a wider range of issues, is more sensitive, and will meet greater obstructions. Therefore, it is necessary to make full theoretical and ideological preparations.

To this end, preparatory work in various fields is being made prior to the 13th CPC National Congress.

The departments concerned of the CPC Central Committee are organizing people to compile three series of books -- "Data and Study of Political Structural Reform," "Theory for Political Structural Reform," and "Reform of the Political Structure in China."

It has been learned that in line with Deng Xiaoping's instructions on the main contents and scope of political structural reform, the departments concerned of the CPC Central Committee have been divided into several groups to conscientiously study and explore such issues as separation of party work from government work, institutional reform, inner-party democracy, socialist democracy, and the personnel system. It is said that in less than 1 year, they have held over 30 discussion meetings or forums, which were attended by relevant experts and academics. The participants have put forward many views, suggestions, and feasible plans.

After attending these discussion meetings and forums, professor Gong Xiangrui of the Department of Law of Beijing University happily said that non-party persons were invited to those discussion meetings and forums and their criticism and suggestions were adopted; the matter itself reflected socialist political democracy.

How must reform of the political structure in China be concretely carried out? Deng Xiaoping stressed: It must be carried out in an orderly way under the leadership of the CPC, and for which no mass movements should be launched; we should not only be bold in making exploration but also act with care and prudence; and we should use for reference all things from abroad that are useful for us but we should not copy them indiscriminately. All this will be the principle that China will follow in reforming its political structure.

Although a systematic and well-coordinated plan for China's political structural reform is being deliberated, drafted, and discussed, some of the contents are actually being tested in various localities. The deep-going economic structure reform also contains some aspects of political structure reform.

Our overseas readers may have recently noticed an important news item that 13 medium-sized cities on the Chinese mainland have drafted overall plans for restructuring the administration which lay emphasis on change of functions to avoid new overstaffed administrations. RENMIN RIBAO carried a commentary on this, pointing out that those medium-sized cities have achieved successful progress in their experiments in institutional reform and that they have made a major breakthrough in combining economic structure reform with the political one and paved the way for our future institutional reform throughout the country. This shows that the ongoing economic structure reform in China also contains some contents of political structure reform and experience has been gained in some aspects. For example, the establishment of the State Machine Building Industry Commission and its restructuring of the administration represent an in-depth development of economic structure reform and an exploration of political structural reform as well. Furthermore, the system of the director assuming full responsibility which is now being introduced in enterprises reflects a certain aspect of separating party work from government work. It has been learned that with the development of economic structural reform in depth, some cities have initiated some tentative ideas for political structural reform after making thoroughgoing investigation, which will be spread step by step on the basis of experimental experiences as long as relevant decisions are made at the 13th CPC National Congress.

Forum Discusses Deng Speech

OW051246 Beijing XINHUA Domestic Service in Chinese 0617 GMT 5 Jul 87

[Text] Beijing, 5 Jul (XINHUA) -- After the publication of Comrade Deng Xiaoping's speech "On the Reform of the System of Party and State Leadership" our reporters invited personages of central state organs and other departments concerned to a forum to discuss this speech. At the forum the comrades expressed the opinion that Comrade Deng Xiaoping's speech analyzes the advantages and disadvantages, merits and demerits of China's political structure; expounds on the historical inevitability and actual urgency of reforming the political structure; points out the orientation, goal, and scope of this reform; and puts forward its guiding thought. A thorough study of this speech in light of the present reality, they said, will no doubt unify and heighten the thinking and understanding of the whole party and people throughout the country and promote the sound development of China's political structural reform, as well as reforms in other areas in the correct direction.

Study and Discuss the Speech so as To Be Mentally Well Prepared for Political Structural Reform [subhead]

Song Yiping, member of the NPC Standing Committee, said: This speech by Comrade Deng Xiaoping sums up in a profound way the experience of our party and the lessons that it has learned in leading socialist construction. We may say that this speech is an extremely important document concerning our work to reform the system of party and state leadership and build socialism with Chinese characteristics.

This former secretary of the CPC Committee of central state organs said: We should earnestly study and discuss this speech. [paragraph continues]

In so doing, we should earnestly study and discuss the reform of our country's political structure and offer feasible opinions and suggestions in accordance with the party's principles and policies and on the basis of our experience and knowledge. In his opinion, studying and discussing the speech in this way will be good ideological preparation for the 13th National Party Congress, to be held this year, and for the reform of political structure, which will be high on the congress' agenda.

Song Yiping said: Such study and discussion will not only enable us to further draw on and pool together the wisdom of the whole party and all people; but also will make this speech still better understood by the whole party and all people, thus becoming a guide to our action. Once grasped by the masses, truth will become a huge material force propelling our cause of reform.

The Four Parts -- Policy-Making, Execution, Supervision, and Advising -- Should Fulfill Their Respective Duties [subhead]

Feng Zhijun, vice chairman of the China Democratic League Central Committee and director of the Shanghai Institute of Science, said: The development of economic structural reform inevitably requires a corresponding reform of our political structure, and implementation of political structural reform involves the system's leadership. In his opinion, the leadership system should consist of four parts: 1) The policy-making part, 2) the executive part, 3) the supervisory part, and 4) the advisory part. Only when all these four parts are working to the best of their capabilities and fulfilling their duties, he said, is it possible for the overall leadership system to operate relatively smoothly and for such problems as over-concentration of power and low working efficiency to be overcome.

Feng Zhijun said: In our country the party Central Committee and NPC should be regarded as the policy-making part, while the State Council and the governments at various levels are the executive part. The supervisory part may include supervision by judicial departments, supervision by public opinion, supervision by the masses of people, supervision based on the party's discipline, supervision of financial affairs by auditing departments, and supervision by democratic parties. In addition to these, there should be an advisory part.

Feng Zhijun went on to say: The policy-making part must be collective. If it is not collective, it is quite possible for power to be over-concentrated, thus hampering the promotion of socialist democracy and the building of a socialist legal system and impeding the role played by collective wisdom. The executive part must be based on a leadership responsibility system. This has a direct significance in overcoming bureaucracy and raising work efficiency. The fact that now some specific work departments cannot make final decisions is also a reason for bureaucracy. He said that he had visited many counties. Some counties had one head and 13 deputy heads. At the official work meetings they attended the deputy county heads asked the county head for power, material resources, and manpower in the interest of the parts they represented, thus bothering the county head instead of helping him carry out his work. For this reason, he said, it is not good to have too many deputies. Supervision must be relatively independent. The executive leading the supervisory personnel is tantamount to doing away with supervision. The advisory part must be democratic and objective. Those giving advice should meet certain requirements. The requirements are: Special professional knowledge, extensive common knowledge, strategic vision, the ability to make systematic and comprehensive analysis, creative spirit, and capability for taking realistic steps. They should not base their action totally on hints from leaders.

Feng Zhijun said: During the new period, the supervisory position and function of democratic parties should be strengthened to a great extent. Advising, consulting, and supervising should become the three major functions of democratic parties. Not only boldness but also knowledge is required to give good play to these three major functions. This means that more effort should be made to study in order to raise the level.

Song Tingming, head of the Investigation and Study Group of the State Commission for Structural Reform [guo jia ti zhi gai ge wei yuan hui] [as received] said: A very important aspect of political structural reform is carrying forward socialist democracy and institutionalizing democracy. To institutionalize socialist democracy, we should further improve our legal system.

Reform the Management System, Change the Functions of Organs, and Overcome Bureaucracy
[subhead]

Sun Xiaoliang, director of the Policy and Regulation Department of the State Machine Building Industry Commission, said: According to a RENMIN RIBAO report on 17 September 1986, 180,000 people came to the former Ministry of Machine Building on official business during the first 8 months of last year. This number seems astonishing. An administrative department of the central government was like a "supermarket." Why were so many people travelling long distances to Beijing on official business? Just as Comrade Deng Xiaoping pointed out, the reason for this is "closely connected with our highly centralized management." If this system is not changed, in my view, the 180,000 people will not be reduced, but instead will possibly increase. Among those who came to Beijing on official business, 50 percent were asking for approval of projects and for appropriations of funds, materials, and subsidiary facilities. Had there been a better market environment, these problems could have been resolved by themselves. Yet, under the present circumstances where the market for means of production and the financial market do not definitely exist, but are sometimes available and sometimes not, enterprises still cannot truly operate on their own. It is precisely because of these circumstances that some enterprises have said: "When there was someone to manage our affairs, we hated him. Now that no one manages our affairs, we want such a person." Administrative departments "speak of changing functions every day, but they cannot actually make any changes."

Sun Xiaoliang said: Now we can clearly see that the management system must be reformed in order to create an environment for enterprises to truly operate on their own. Only under such conditions can the economic management departments of the governments at various levels change their functions, ensure successful control on major issues, and radically overcome bureaucracy.

Li Ming, vice minister of metallurgical industry, said: If our organs do not change their functions and still take care of everything, whether it is general or specific, it will be impossible to streamline their structure. He said: What is the extent of control to be exercised by the planned economy? To what extent should power be decentralized? Only when these questions are properly resolved can the government's economic management departments be freed from the involvement of day-to-day production affairs, trim their personnel, and have the energy to study the development strategies, devise plans, give advice, and exercise supervision.

Li Ming continued: Like government departments, enterprises should streamline their structure. In the past, the general plant of the Baoshan Iron and Steel Complex had eight plant directors. Later, we were determined to reduce them to three, while some people were afraid that the three plant directors would be too busy to meet the work requirements.

But we took the measure of strengthening the grass-roots in order to have a large number of questions resolved there. The result was that the three plant directors were not busier than the eight plant directors. The experiment conducted at the Baoshan Iron and Steel Complex indicates that streamlining personnel is possible.

To Streamline Structure, It Is Imperative To Clearly Justify Excessively Large Structures [subhead]

Dong Ximin, associate professor of the Central Party School, said: why was there a problem a few years ago of our structure being reduced but then growing again? The primary reasons were that there was no distinction between the party and government, but there were overlapping departments; that under the influence of bureaucracy, jobs were created to accommodate people, and the number of provisional organs increased to a great extent; and that because division of work was not well developed in society, each organ was actually a small society. Besides, a lack of legal and financial mechanisms to restrict the establishment of organs and help streamline their structure also contributed to their expansion.

MINISTERS FIGHT BUREAUCRACY, SOLVE PROBLEMS

OW041204 Beijing XINHUA in English 1147 GMT 4 Jul 87

[Text] Beijing, July 4 (XINHUA) -- Many Chinese ministers and vice-ministers have left their offices and gone to the production front lines to tackle urgent problems.

Chinese Government organizations have been taking effective measures to fight bureaucracy after summing up the lessons of China's recent disastrous forest fire in northeast China Heilongjiang Province.

Serious bureaucratic mismanagement was one of the causes leading to the forest blaze which lasted from May 6 to June 2. Yang Zhong was removed from his post as forestry minister, while Dong Zhiyong was dismissed from the post as vice-minister.

The action has sounded the alarm for officials at various levels and various government organizations have taken measures to fight bureaucracy.

Shortly after the conclusion of the fifth meeting of cabinet members of the Chinese and Japanese Governments, Communications Minister Qian Yongchang immediately led three vice-ministers and more than 30 officials to east, south and north China and the Yangtze River area.

Observing publicly and investigating privately warehouses, harbors, vessels and ferries, they tackled problems concerning production and safety in transportation.

Minister Qian said he should be responsible for this year's many transport accidents which caused big losses to the state and people.

He said, "Lax discipline, mismanagement, improper operation and serious bureaucracy are the main factors in ship collisions, fires, explosions and other accidents."

The communications departments are taking measures to overcome problems such as neglect of duty, lax discipline and insubordination. The ministers will review and tackle again the causes and effects of some serious accidents which have taken place in the past few years.

Xu Boling and Li Zhao, both deputy director-generals of the Civil Aviation Administration of China (CAAC), left their offices and began working in the capital airport, a place where the service has often been criticised by passengers and the press for poor service.

Now, changes have taken place in the airport, the largest one in the country. The terminal has become cleaner and the service is better than before.

The Ministry of Water Resources and Electric Power, which bears the main responsibility for flood-prevention, urged officials to stress flood prevention work while combating bureaucracy.

Qian Zhengying, minister of water resources and electric power, pointed out that problems such as mismanagement exist in the ministry. Since early May, she has led 10 working groups to inspect work and carry out various measures along the Yangtze River, the Yellow River and other important river systems.

The Coal Industry Ministry has organized more than 100 officials led by the minister and vice-ministers to inspect production safety in coal mines in Henan, Hebei, Shanxi, Shandong, the Inner Mongolia Autonomous Region and northeast China.

In order to improve work efficiency, the State Planning Commission urged its officials handle all documents and files within a week, permitting no delay.

Zhu Rongji, vice-minister of the State Economic Commission, called on all staff to improve their work style and provide good service to various regions, departments and grassroots units.

He also urged officials to implement the organizational principle of the state on the basis of democracy under centralized guidance, and make policy in a democratic and scientific way to avoid mistakes.

OFFICIAL DISCUSSES PROBLEMS IN STRUCTURAL REFORM

HK020703 Hong Kong MING PAO in Chinese 1 Jul 87 p 14

["Special Dispatch from Beijing": "State Structural Reform Commission Vice Chairman Discusses Reforms"]

[Text] Recently Gao Shangquan, vice chairman of the State Structural Reform Commission, said: The facts have proved that the reform over the last 8 years has been correct in orientation. It has produced results and new experiences, but four main problems remain unsolved.

At a meeting recently held by the Propaganda Department of the CPC Central Committee on reform theory, Gao Shangquan briefed the meeting on developments in the economic structural reform and problems arising in the course of reform. He said: The reform has brought major changes in four aspects of the Chinese economic structure.

1. With the development of various economic forms and diverse methods of management, the ownership structure is becoming more rational and enterprises more invigorated.
2. As use of mandatory planning and state-set prices diminishes, market mechanisms have begun to play a role.
3. With the changed distribution of national income, fund channels have moved from the pattern of state finances as the main source, to a pattern of stressing credit means. Twenty-seven cities have been involved in the experiments in financial structural reform and the lending-borrowing business between different cities and the flow of funds have expanded in scope.
4. With the expansion of economic and technological ties with other countries, the closed economy is moving to an open economy. Open zones with a population of 200 million people have taken shape.

Gao Shangquan said: China is now facing three different stages of development: Socialist development is in its initial stage; economic construction is in the stage of the traditional economy moving to a modern economy; and the economic structural reform is in the stage of the old structure being replaced by the new one.

This official in charge of the structural reform work said: In this stage of the old structure being replaced by the new one and the reform going deeper, layer after layer, the more the reform deepens, the greater the difficulty it faces will be. The problems needing exploration at present are many but they are mainly as follows:

1. The problem of enterprises' invigorating mechanisms. The decision of the CPC Central Committee adopted in October 1984 said that ownership can be duly separated from management power. Zhao Ziyang has repeatedly pointed out that we should devote our efforts to separation of ownership from management power as this is a big issue. The problem is how to enable enterprises to assume full responsibility for their profits and losses under the system of public ownership and how to combine diversification and standardization as the reform progresses.
2. The problem of prices and the market. Our previous thinking on the market was relatively oversimplified. We thought that so long as prices became somewhat rational, the market would take shape immediately following the reform. In reality, the growth of the market requires a long, complicated process and many problems cropping up in the process cannot be solved in a summary fashion. Price reform is restricted by the capacity of the people and society to withstand strains. However, it has to be carried out, although very difficult.
3. The problem of reforming the investment and planning structures. This involves the problem of how to define the scale of investment by governments at all levels and the limits of their power to make policy decisions on investment projects, and also the problem of who is the major investor and of how to administer society's investment and how to exercise macroeconomic control in this regard. Moreover, the reform of the investment structure is conditioned by the reform in such areas as planning, finance, and taxation and by the coordinated way the reform in these areas is conducted.
4. The problem of division of work between the government and the enterprises and the transformation of the government's functions of managing the economy. [paragraph continues]

In reforming the economic structure, it is not acceptable not to transform the functions of the government. If the government's functions are not transformed, structural reform is bound to become a simple streamlining and integration move and thus no fundamental problems can be solved. Organizational reform should be carried out in conjunction with the economic structural reform. Among other things, the problem of division of work between the government and the enterprises and the transformation of the government's functions should be solved. Then under the new structure, what and how should the government manage? How should the government's comprehensive supervisory functions be strengthened? In this respect there are many questions calling for serious research and exploration.

COMMENTATOR ON QUALITY OF EDITORIAL PERSONNEL

HK030740 Beijing GUANGMING RIBAO in Chinese 24 Jun 87 p 1

[Commentator's article: "Pay Attention to the Quality of Editorial Personnel -- Second Discussion on Properly Consolidating the Work of Newspapers and Magazines"]

[Text] One of the basic conditions for the existence and development of a newspaper or magazine is a certain number of qualified editorial personnel. Since the founding of the country, with the development of the journalistic cause and education, we have cultivated a large number of editorial personnel who have made important contributions to the propaganda of newspapers and magazines. However, the present conditions of the editorial force of newspapers and magazines still do not very well suit the development of newspapers and magazines as well as the demands of the broad masses of readers in recent years. One of the main problems is that the number of truly qualified editors is small and their quality is poor.

Saying that the number of the truly qualified personnel is small, we mean that the number of backbone, formal, and qualified editors is small. This problem is rather serious in a large number of newspapers and magazines that were founded in recent years, in particular the small newspapers and magazines. The chief or deputy editors of some journals work only on a part-time or even nominal basis. Some newspapers or magazines do not have full-time editors whose works are shared by the personnel of other departments. With no editors, some journals simply contract our editing work to individuals. Evidently, these newspapers and magazines do not possess the basic conditions to run. The practice of blindly running newspapers and magazines in spite of the insufficiency of editorial personnel has resulted in poor quality, cut-and-paste work, plagiarism, and identical contents in some newspapers and magazines. More serious, due to a lack of leaders and staff who know editing and reporting work, these newspapers and journals are actually in an anarchical and laissez-faire state.

Saying that their quality is poor, we want mainly to point out that the quality of the existing contingent of editors is generally not high. With the development of the newspapers and journals, the contingent of editors has absorbed a large number of personnel from other professions. As the political qualities and cultural degrees of these personnel are uneven, some are really good, while a considerable number of them are hastily put to work without proper organization thus forming a situation of "a small ox pulling a big cart." Some newspapers do not even have any staff who know the layout design, and when they have got all the necessary articles, they have to go everywhere to ask for help. Moreover, as the editors of some journals are all middle-school graduates, after the articles are edited they have to ask language teachers to make corrections. [passage continues]

The editors of some newspapers and magazines are lacking in the theoretical accomplishments of Marxism and therefore cannot correctly master the political orientation. Some editors who are poor in ideological quality either collect scandals and sensational stories to attract the vulgar interests of readers or make use of the articles to seek personal gains everywhere. These editors have not only ruined the image of editors but also cannot produce any acceptable newspapers and journals.

The cropping up of these problems is primarily due to the overdevelopment of newspapers and magazines. Over the last few years, on average one newspaper or magazine was founded in less than 2 days. In some provinces, cities, and ministries or commissions, several dozen or even a hundred newspapers and magazines were founded all of a sudden. However, the number of editorial personnel cultivated through the schools of higher learning and other channels simply cannot meet the needs of so many newspapers and magazines. Some people believe that with a rough knowledge of language and some writing skills anyone can be an editor. This is a misunderstanding. In fact, it is not easy to be a qualified editor. Editors should have not only some professional knowledge and relatively good language skills but also considerable practical experience. Of course, it is unrealistic to set an excessive high standard for editors. However, there must be a basic demand on their political, cultural, and vocational levels. If we judge strictly according to these basic demands, we should admit that we do not have enough editors to run so many newspapers and magazines. If we let unqualified editors run newspapers and magazines, we would inevitably have some newspapers and magazines of ordinary and poor quality or even some mistakes that should not happen.

To resolve this issue, we should proceed from consolidating the newspapers and magazines. First, we should consider how many newspapers and magazines we can run with our current force of editors. There is also an issue of acting according to our capability. We should make up our mind to stop or merge newspapers and magazines that do not possess the necessary conditions and cannot improve their state of affairs. If the newspapers and magazines should be run and there are not enough qualified working editors, we should decide to train the working editors. If we attach importance to the quality of the editors of newspapers and magazines and adopt various measures to improve their quality, our work of newspapers and magazines will take on a new look.

ARMORED FORCES OPERATE UNDER NUCLEAR CONDITIONS

HK021534 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0801 GMT 1 Jul 87

[Text] Beijing, 1 Jul (ZHONGGUO XINWEN SHE) -- This reporter has learned from the Armored Forces Department of the General Staff Department of the PLA that major progress has been made in the weaponry of China's armored forces, that the fire power, maneuverability, and protective power of the new-type fighting tanks have been raised in an all-round way, and that the armored forces are capable of fighting under nuclear conditions. With the emergence of nuclear weapons and the increase in antitank measures, the protective power of tanks and other armored vehicles has increasingly drawn people's attention. Following the adoption of advanced technology, China has made such a breakthrough in tank protection technology that it has now joined the world's advanced ranks in this field. The new protection structure makes it unnecessary for tank crews to wear masks in the cabins for it is protected against nuclear and chemical weapons and bacterium. The tanks can also dive across rivers.

The advanced fire-extinguishing system can effectively and speedily prevent a tank from burning or exploding after it is hit and reduce the damage to the tank and casualties, thus greatly raising the survival capability of tanks and armored cars on the battlefields.

According to a briefing, with the accelerated upgrading of weaponry, the fighting performance of fighting tanks has been improved in an all-round way. Our ammunition and communications technology and fire-control systems have reached a first-rate world standard. At present, China's armored forces have the capability to destroy armored tanks fitted with compound plate armor. Our success in developing many kinds of fire-control systems and snooperscopes has raised our tanks' combat effectiveness in night operations, reduced the firing time, enabled the tanks to accurately hit moving objects, and raised the percentage of first hits.

It has been disclosed that when China successfully exploded its first nuclear weapon in the air over 20 years ago, the armored forces performed the magnificent feat of passing through the explosion center, demonstrating their capability to fight under nuclear conditions.

COMMENTATOR URGES SUPPORTING ARMY WORK

HK050750 Beijing RENMIN RIBAO in Chinese 30 Jun 87 p 1

[Commentator's article: "Do 'Double Support' Work Properly in the New Period"]

[Text] Governments and civilians support the Army and give preferential treatment to the families of revolutionary armymen; and the Army supports the government and cherishes the people. This is our fine tradition. Before the PLA celebrates the 60th anniversary of its founding, a national meeting has been held to sum up and exchange work experience in this regard and to study the issue of how to carry forward this tradition and do a better job in "double supports."

Our Army is made up of the sons of the people. During the revolutionary wars for many years, the Army and the civilian people loved, helped, and cherished each other, and formed a fine traditional practice of the civilians supporting the Army and giving preferential treatment to families of armymen and the Army supporting the government and cherishing the people. For example, civilians joined the Army and participated in battles with the Army, supported the front, giving preferential treatment to the families of armymen, consoling and helping families of martyrs, and helping disabled armymen; on the other hand, the Army upheld the principle of serving the people wholeheartedly and maintaining unity between the Army and the government and between the Army and the people, and strictly observed the Three Main Rules of Discipline and the Eight Points of Attention. This fine tradition has linked our Army closely with the people, thus forming a steel great wall and guaranteeing one victory after another in China's revolution and construction. History shows that doing a good job in "double support" and strengthening the unity between the Army and the people is an important guarantee for the fulfillment of the party's general line and general task in various historical periods. This was true in the past, and is also true at present.

At present, the people throughout the country are devoting themselves to the building of socialism with Chinese characteristics, and the general task of the new period requires us to raise our "double support" work to a new level. [paragraph continues]

Since the 3d Plenary Session of the 11th CPC Central Committee, especially since the 1984 national meeting of the progressive elements in the "double support" work, the Army troops and civilians in all parts of the country have not only seriously continued the traditional practice of "double support," but have also actively sought many new ways to develop the "double support" work. The vast number of PLA soldiers have helped civilian departments to publicize the party's policies, popularize legal knowledge, and disseminate science and culture, and train new people with lofty ideas, moral integrity, good education, and a sense of discipline. The soldiers have also made use of their advantageous conditions to assist and support key projects and public work in localities. In the whole country, there are more than 40,000 "Army-civilian joint centers for developing civilization," and more than 20,000 of these centers have been commended by party committees and governments at and above the country level. At the same time, party committees and governments at various levels have also made great efforts to support the Army by actively providing teaching staff, materials, equipment, and activity places for the army units for the training of dual-purpose talented personnel. Since 1983, more than 5 million soldiers have received training in all kinds of civilian skills, and more than 2.1 million soldiers have mastered one or more kinds of special knowledge or skill. This has not only promoted the work of the Army, but has also strengthened various civilian fronts. The Army has thus become a major force in construction.

Now, the central task for the whole party and the whole people is to conduct economic construction, and all work of the party, the government, the Army, and various civilian institutions and departments should serve this central task. In order to ensure a peaceful environment for our construction, we must maintain and build a modern and regular revolutionary army with Chinese characteristics.

This is of great significance for defending the motherland, protecting the people's peaceful labor, consolidating national defense, and resisting any possible foreign aggression. Civilian comrades, especially leading comrades, must have a correct understanding of the position and role of the Army in a peaceful period, more firmly establish the attitude of respecting and cherishing the Army, more consciously and actively do a good job in supporting the Army and giving preferential treatment to families of armymen, actively develop a social network in cities and in the countryside for providing mass services for the Army and for families of armymen, and gradually codify the practice of giving preferential treatment to families of armymen and martyrs into law and continue to perfect the systems in this regard. At the same time, the Army troops should also try harder to support local governments and provide more services for local people. This work should be better planned, arranged, and coordinated. The Army should require cadres and soldiers to adhere to the principle of serving the people wholeheartedly, continue to conduct education in supporting the government and cherishing the people, and further advance the work in this regard to form closer ties between the Army and the government and between the Army and the people.

YU QIULI AT SUPPORT-ARMY, CHERISH-PEOPLE MEETING

OW021101 Beijing XINHUA Domestic Service in Chinese 0539 GMT 1 Jul 87

[Text] Jiamusi, 1 Jul (XINHUA) -- The 7-day national meeting on exchanging experience in supporting the Army and giving preferential treatment to soldiers' families, and supporting the government and cherishing the people, closed here on 30 June.

The meeting was another grand "double support" meeting following the 1984 National Congress of advanced "double support" representatives.

At the meeting, representatives from 29 provinces, municipalities, and autonomous regions and from the PLA happily gathered under the same roof to chat about Army-people friendship and the gratifying achievements made in "double support" work. More than 100 advanced "double support" units reported on their experience of doing successful "double support" work in the new period.

During the meeting, the representatives listened to reports on the joint efforts made by soldiers, police, and civilians to put out the forest fire in Dazhanglin. They also visited joint Army-people projects for building spiritual civilization and training centers set up jointly by the Army and the people for teaching civilian job skills to soldiers, and watched military demonstrations by PLA units in Jiamusu.

Yang Chen, former minister of civil affairs, made a closing speech. She said: An excellent thriving situation of "double support" work in the new period has been created with new ideas generated in the course of reform and progress and in the course of practice. In addition to traditional "double support" activities, there are such new things as joint Army-people efforts to teach soldiers civilian job skills, intellectual support for the Army, intellectual assistance to the people, and mass networks for supporting the Army and giving preferential treatment to soldier's families. These new things reflect the great vitality of "double support" work and the remarkable achievements made in this work. The major achievements are as follows: 1) "Double support" work is carried out in line with the four cardinal principles, the policy of reform, opening to the outside world, and invigorating the economy, and the party's general tasks and general objectives in the new period; 2) the great significance of "double support" work has been fully understood by soldier's and the people in the light of national prosperity and lasting security; 3) "double support" work has been adapted to the current situation with new ideas constantly enriching its content; 4) "double support" work is carried out by the masses realistically by taking the local situation into account and stressing practical effects; 5) leadership has been strengthened and relevant rules and regulations have been improved.

Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, addressed the closing session of the meeting. Liu Zhenhua, political commissar of the Shenyang Military Region, also spoke at the meeting.

Present at the closing session were Cui Naifu, minister of civil affairs; Liu Jingsong, commander of the Shenyang Military Region; Zhang Xiufu, political commissar of the People's Armed Police Force; Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee; and Hou Jie, governor of Heilongjiang Province. Zhu Yunqian, deputy director of the General Political Department, presided over the closing ceremony.

NAVAL AIR FORCE CHIEF DISCUSSES ROLE, TASKS

HK020824 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0338 GMT 2 Jul 87

[Article by Shen Lijiang (3088 4539 3068): "Only by Having Command of the Air Can We Have Command of the Sea -- Interview With Li Jing, Deputy Commander of the Navy and Commander of the Naval Air Force"]

[Text] Beijing, 2 Jul (ZHONGGUO XINWEN SHE) -- After more than 30 years of construction, the Chinese Naval Air Force has developed into a major shock and protective force of the Navy.

This force has relatively strong all-round combat capability. At present, apart from being able to launch shock attacks on major enemy maritime or coastal targets, winning command of the air over the sea, and coordinating with or covering other elements of the Navy in combat, the Naval Air Force can also carry out maritime reconnaissance, patrols, electronic countermeasures, rapid reaction, emergency minelaying, rescue, vertical coastal landings, and other combat missions. It can engage in joint combat with other branches such as submarines, surface warships, coastal defense units, and the marines, and can also carry out independent combat missions over the sea. It is the highly mobile shock force among the five main branches of the Navy.

This was revealed in a recent interview with this reporter by Li Jing, deputy commander of the Navy and Commander of the Naval Air Force.

Li Jing is one of the first generation of flyers turned out by PLA aviation schools after the founding of the state. He has flown many types of aircraft and has served as wing commander, regimental commander, divisional commander, and deputy chief of staff of the Navy. In 1982 he was promoted to deputy commander of the Navy, and in August 1983 he was concurrently appointed commander of the Naval Air Force.

Deputy commander Li Jing told the interviewer: The characteristics of modern naval warfare determine the special status and role of the Naval Air Force in the Navy. In order to defend the security and unity of the country's territorial waters and land, guard against possible incursions from the sea, and attain the great goal proposed by the Central Military Commission's Deng Xiaoping of building a powerful Navy with modern combat capability, the Chinese Navy is currently making great efforts to build a crack, modern Naval Air Force with Chinese characteristics.

The Chinese Naval Air Force was established in 1950. In the past 30 years and more, the Naval Air Force has taken part in 342 combats to preserve the security of the country's airspace and territorial waters. In the 1950's and 1960's, it shot down nine enemy aircraft including P2V-7 electronic reconnaissance aircraft, and F-101, F-104C, and F-4B fighter-bombers with advanced equipment and capability. The Naval Air Force also damaged 158 enemy aircraft. Its combat achievements are outstanding. It has also flown thousands of sorties in supporting national construction, and has completely fulfilled its tasks such as fishery protection, escort, rescue, and so on. In particular, during the 1980's, the Naval Air Force has fulfilled outstandingly well its missions of safeguarding China's first test-firing of a carrier rocket into the South Pacific and in undertaking China's first investigations in Antarctica and establishing a station there. The Naval Air Force has gained the glorious titles "brave eagles over the sea" and "mighty wind of the sea boundaries."

Weapons and equipment are one of the main criteria for judging the degree of modernization of the Armed Forces. This reporter asked Deputy Commander Li Jing to discuss the current state of equipment of the Chinese Naval Air Force. He said in introducing the topic: The Chinese Naval Air Force has set up and is gradually perfecting a weapons system suited to the characteristics of modern naval warfare. The force has now developed from a single type of aircraft in its early days to a variety of aircraft with a variety of capabilities. For combat the force has bombers, attack planes, fighters, anti-submarine aircraft, and ship-borne helicopters, and it is also equipped with aircraft for a variety of other missions, such as reconnaissance planes, patrol planes, rescue aircraft, electronic jamming aircraft, seaplanes, transports, and so on.

The force can assign, as appropriate, different types of aircraft for different missions and for attacking targets in the air, on the surface, and under the sea. As far as weaponry is concerned, the force has changed its previous status of mainly relying on guns, torpedoes, and mines, and has become armed with missiles. New fighter-bombers have increased the force's bombing capabilities, and these aircraft are equipped with missile-aim and fire control systems, automatic navigation and bombing systems, systems for boosting missiles, and new types of radar. The aircraft carry highly-accurate air-to-ship missiles developed in China. These weapons have markedly increased the shock attack power of the Naval Air Force.

The Chinese Naval Air Force regards the training of highly proficient flyers as the focal point in education and training. These flyers must fulfill three requirements: excellent theoretical knowledge, familiarity with techniques, and tactical flexibility. Deputy Commander Li Jing revealed that apart from training China's first generation of pilots for ship-borne helicopters, the Chinese Naval Air Force has also trained a number of pilots who can fly well at low or extremely low levels, are relatively accurate in hitting the target, and possess relatively good ability in long-range raids. The low-level flight capability of the combat units has reached advanced world levels. In one air and sea mock combat in the western Pacific in May last year, all participants in a Naval Force shock attack at extremely low level hit the target, thus demonstrating that the Naval Air Force has reached new standards.

Discussing future developments of the Naval Air Force, Deputy Commander Li Jing said that compared with the Naval Air Forces of certain developed countries, we still lag behind to a certain degree in equipment and technology. Therefore, for a time to come, the Chinese Naval Air Force will first continue to focus on developing advanced high-class weapons and equipment suited to the needs of future naval warfare, with the stress on developing anti-submarine bombers, missile attack planes, fighter-bombers, high-speed fighters, ship-borne helicopters, and other specialized naval aircraft, all with Chinese characteristics. It will also develop a certain number of reconnaissance planes, patrol planes, early warning planes, electronic countermeasures planes, air refuellers, and so on. We will pay attention to maintaining an advanced state of equipment. We will also devote great effort to training as quickly as possible a number of world-ranking commanders and flyers. We will build the Naval Air Force into a crack force with a very high degree of modernization and all-round offensive and defensive capabilities.

LEADERS ATTEND DENG DIANTAO'S FAREWELL CEREMONY

OW052359 Beijing XINHUA Domestic Service in Chinese 0809 GMT 4 Jul 87

[Excerpts] Beijing, 4 Jul (XINHUA) -- Comrade Deng Diantao died of illness at the age of 77 in Beijing on 29 Jun. He was an excellent member of the CPC, a loyal fighter for communism, a member of the Standing Committee of the Fifth NPC, and a former deputy director of the General Office under the CPC Central Committee. A farewell ceremony for paying last respects to the remains of Comrade Deng Diantao was held in the Hall of the Babaoshan Cemetery for Fallen Revolutionaries this morning.

Among those who sent wreaths were: Comrades Peng Zhen, Deng Yingchao, Wan Li, Xi Zhongxun, Qiao Shi, Yang Shangkun, Hu Qili, Yao Yilin, Chen Pixian, Wang Zhaoguo, Wu Xiuquan, Lu Dingyi, Song Ping, and Kang Keqing; the NPC Standing Committee; the General Office, the Organization Department, and the International Liaison Department of the CPC Central Committee; the Party Committee of Departments under the CPC Central Committee; the Jiangxi Provincial CPC Committee; and the Jiangxi Provincial Government.

Xi Zhongxun, Yang Shangkun, Hu Qili, Wang Zhaoguo, and Xiao Ke as well as responsible comrades from central departments concerned and Comrade Deng Diantao's friends were among the approximately 400 people that took part in the farewell ceremony to pay their last respects to the deceased. [passage omitted]

LI PENG STRESSES CONTROL OF POPULATION GROWTH

OW020225 Beijing XINHUA Domestic Service in Chinese 1410 GMT 1 Jul 87

[Text] Beijing, 1 Jul (XINHUA) -- Vice Premier Li Peng of the State Council emphatically pointed out the following at the Great Hall of the People this afternoon while meeting with the delegates attending an international seminar on population in Beijing: China will steadfastly implement its family planning policy, pay attention to eugenics, and bring up children in a healthy way.

Li Peng said: China is now facing a new baby boom, and great efforts should be made to advocate the one couple, one child policy.

He said: "As a populous and developing country, China must control its population growth according to plan and improve the quality of its population in order to meet the needs of development of the country. If population growth is not controlled, great difficulties will arise in food, clothing, housing, transportation, education, and improvement of the scientific and cultural levels."

Li Peng also briefed the delegates from various countries on the achievements China has made in carrying out reforms, opening to the outside world, and invigorating the domestic economy.

CHEN JUNSHENG ADDRESSES CONGRESS OF STATE ORGANS

OW030002 Beijing XINHUA Domestic Service in Chinese 1148 GMT 1 Jul 87

[By reporter Li Shangzhi]

[Text] Beijing, 1 Jul (XINHUA) -- In order to play an exemplary role in implementing the line pursued by the party since the 3d Plenary Session of its 11th Central Committee and to perform their duty with honesty, efficiency, and utmost dedication to the people, central government organs should focus their party building in the new era on comprehensively and correctly understanding and implementing the two basic points of this line and should resolutely combat bureaucracy and the abuse of power for personal gain. These are the tasks set by the Sixth CPC Congress of Central Government Organs.

Through practicing inner-party democracy, the congress elected 221 deputies from the central government organs to the 13th National Party Congress, and also adopted a resolution. The resolution calls on party organizations at all levels and all party members in the central government organs to mobilize all staff members to diligently study Comrade Deng Xiaoping's important article on reform of the party and state leadership system; work hard; and advance in a pioneering spirit in order to greet the convocation of the 13th National Party Congress with concrete actions.

The congress, which opened on 29 June, adjourned today. According to the central authorities' guideline, the congress is to be convened in two stages.

The agenda of the first-stage of the congress was to examine the work reports of the Fifth CPC Committee of the Central Government organs and its Discipline Inspection Commission; discuss the tasks of party building by the central government organs; and elect deputies to the 13th CPC National Congress. The second-stage congress, to be convened after the 13th CPC National Congress, will transmit, study, and implement its guidelines and elect the Sixth CPC Committee of the Central Government organs and its Discipline Inspection Commission.

A total of 993 delegates representing 220,000 party members attended the congress. Members of the Fifth CPC Committee of the Central Government organs and its Discipline Inspection Commission, and officials of party committees of some central government offices observed the congress.

Chen Junsheng, secretary of the CPC Committee of the Central Government organs, delivered the opening speech. He said: Party organizations at various levels in central government organs must further implement the line pursued by the party since the 3d Plenary Session of its 11th Central Committee, which consists of two basic points -- i.e., upholding the four cardinal principles, and adhering to the policies of reform, opening to the outside world, and invigorating the economy. The general guiding ideology for party building in the new historical era is to ensure the execution of these two basic points. To this end, it is necessary to continuously overcome the influence and interference from both bourgeois liberalization and ossified thinking.

Chen Junsheng said: Acting on the State Council's decision on the disastrous forest fire in Daxinganling, the central government organs have been waging a struggle against bureaucracy. Only when bureaucracy is really eliminated can the central government organs perform their duty honestly, efficiently, and with utmost dedication to the people. Party organizations at various levels in central government organs should attach great importance to the struggle and effectively carry it out.

Chen Junsheng said: Supervision of government organizations is especially important for the party in power. In discussing the building of Soviet state organs, Lenin repeatedly stressed the importance of supervision, maintaining that it was an effective means of overcoming and preventing bureaucracy and corruption in the Soviet regime. Comrade Deng Xiaoping, at an enlarged work conference of the party Central Committee in 1962, explicitly discussed the question of inner-party supervision. Comrade Zhao Ziyang also stressed the importance of open and democratic supervision at a recent work conference to sum up the nationwide party rectification. According to the stipulations of the party constitution, grass-roots party organizations in party or government offices at all levels should exercise supervision over all party members, including the heads of these offices who are party members, with regard to their implementation of the party's line, principles, and policies, their observance of discipline and the law, their contacts with the masses, and their ideology, workstyle, and moral character; and should help the office heads improve work, raise efficiency, and overcome bureaucratic ways, keep them informed of the shortcomings and problems discovered in the work of these offices, or report such shortcomings and problems to higher party organizations. Party organizations at various levels in the central government organs should further exercise supervision over implementation of the two basic points of the line pursued by the party since the 3d Plenary Session of its 11th Central Committee and over the struggle to overcome bureaucracy and stop the abuse of power for personal gains, and should set up a good supervision system and carry it out for a long time.

On behalf of the Fifth CPC Committee of the Central Government organs, its Deputy Secretary Zhang Jingyuan made a work report: "Strengthen and Improve the Party's Work in the Central Government Organs, and Help Them Perform Their Duty Honestly, Efficiently, and With Utmost Dedication to the People." After reviewing the work of the party committee, Zhang Jingyuan pointed out in the report that party organizations at various levels in the central government offices should concentrate their work on the following four areas: Improving and intensifying ideological and political work to ensure fulfillment of the tasks of reform and construction; stepping up the building of party organizations and increasing their fighting power; overcoming bureaucracy, stopping the abuse of power for personal gains, and improving party and office work style; and strengthening leadership over the work of trade unions, youth, women, and the united front in order to mobilize all quarters to contribute to the building of socialist material and spiritual civilization.

In their discussions, delegations from various offices pointed out that bureaucracy and the abuse of power abuse are the two major problems in party and office work style of the central government organs, and that these problems must be resolved in the course of deepening the reform and carrying out construction. It is necessary to step up supervision over all party members, especially party members who are leading cadres, with regard to implementation of the two basic points of the line pursued by the party since the 3d Plenary Session of its 11th Central Committee, in order to place all party members, especially party members who are leading cadres, under the supervision of the party and the masses and enable the party members to perform their duty impartially, honestly, and with utmost dedication to the people.

GU MU ADDRESSES MANAGEMENT SEMINAR IN TIANJIN

OW021238 Beijing XINHUA in English 1218 GMT 2 Jul 87

[Text] Tianjin, July 2 (XINHUA) -- Chinese and foreign partners from more than 70 Sino-foreign joint ventures and officials from economic commissions from various parts of the country gathered here today to share their experiences and discuss ways of solving problems and improve management.

Addressing the seminar, State Councilor Gu Mu, who is also head of the group in charge of foreign investment under the State Council, said that China has approved more than 8,000 enterprises in the country, 3,000 of which have begun operations.

"It is necessary to hold this meeting and make a serious summary of our work," Gu Mu said.

He pointed out that China would not change its policy of opening to the outside world. "Any changes will only improve these enterprises." He hoped that all departments concerned should cooperate to provide better conditions for joint ventures so that they can fully use their decisionmaking power and make investment more efficient.

Gu said that to absorb foreign investment constituted an important part of China's open policy. The shortage of foreign funds has posed a very big problem for China's four modernization drive, which will continue for a long period.

Gu said that it was China's firm policy to accept, on the basis of equality and mutual benefit, foreign investment including direct investment.

He said that China would examine the operations of 3,000 joint ventures one by one and solve their problems in a bid to accelerate their reform.

Gu Mu pointed out that the key to the success of every joint venture is the enterprise itself. This calls for close cooperation between foreign and Chinese partners. They should improve management and raise the economic efficiency in order to enhance their competitiveness and strive to export more.

The five-day seminar is the first of its kind in China. During the gathering, participants at the seminar will also take time out to tour some of the joint ventures in this northern China port city.

SONG JIAN ADDRESSES SCIENCE AWARD COMMITTEE

OW030832 Beijing XINHUA in English 0752 GMT 3 Jul 87

[Text] Beijing, July 3 (XINHUA) -- China's Natural Science Awards Committee will begin presenting awards biennially to major research achievements in the natural sciences.

Song Jian, state councilor and minister of the State Science and Technology Commission, told the last committee meeting, "Awarding major scientific achievements is a key part of China's work in science and technology, and recently Chinese scientists have achieved many results in basic and applied research, which have greatly contributed to developing the country's science and technology." Song pointed out, "Awards to achievements in the natural sciences have only been presented to a total of 159 research findings on two occasions, once in 1956 and again in 1982."

Song Jian supported the committee's decision to give awards every two years, and agreed the recognition of work in science and technology should be on a regular basis.

The Natural Science Awards Committee is made up of 47 scientists who are now busy evaluating applicants and will announce the winners next spring.

JIANGSU LEADERS STRESS REFORM INTENSIFICATION

OW060407 Nanjing Provincial Service in Mandarin 2200 GMT 4 Jul 87

[Text] The Jiangsu Provincial Party Committee and the provincial government yesterday called a meeting of principal responsible persons of provincial-level organs.

Addressing the meeting, Han Peixin and Gu Xiulian called on the cadres of the provincial-level organs to resolutely implement the policies of reform, opening to the outside world, and invigorating the domestic economy; to enthusiastically support basic units in carrying out reforms; to firmly oppose bureaucracy; to further improve the workstyle of all offices; to better serve basic units; and to contribute to the fulfillment of all tasks in economic construction and all other fields in the province.

Comrade Han Peixin pointed out in his speech: The general requirements for the province's work for the second half of the year are to implement the guidelines set forth in the party central committee's relevant important documents, extensively carry out positive education in this party's line implemented since the 3d Plenary Session of its 11th Central Committee, accelerate the pace of reform and of opening of the outside world, promote the "double increase, double economy" campaign, effectively strengthen party building, and do a better job in fulfilling the tasks in economic construction and all other fields this year. Whether or not provincial-level organs can create favorable conditions for the work of basic units is crucial to whether or not these requirements can be met.

Comrade Han Peixin stressed: Provincial-level organs now should do the following three things:

First, it is necessary to unswervingly implement the policies of reform, opening to the outside world, and invigorating the domestic economy; to enthusiastically support basic units in carrying out reforms; and to take the overall situation into account. The provincial party committee and other departments should review and examine the work of streamlining administration and delegating power to lower levels over the past few years. Power that should be delegated to enterprises must be so delegated. At the same time, it is necessary to enthusiastically help enterprises properly exercise their powers, to warmly support basic units in exploring and experimenting in the course of reform, and to vigorously sum up and popularize the fresh experiences they have gained in carrying out reforms. In restructuring government organs, stress should now be placed on a gradual change of functions in work in order to better meet the requirements of reform and to give full play to the roles of government organs and departments with special functions.

Second, it is necessary to resolutely oppose bureaucracy and further improve the work style of all offices. All departments and units should organize their cadres, workers, and staff members to conscientiously study the State Council's decision on the handling of the Daxinganling forest fires and a related important speech by a leading comrade of the party Central Committee to draw a lesson from the forest fires. Persistent efforts should be made to educate all working personnel to wholeheartedly serve the people. All personnel should be encouraged to work hard in high spirits and to wholeheartedly serve the people. All offices should have a fine work style. At the same time, attention should be paid to overcoming bureaucracy in the process of decisionmaking and improving work efficiency.

Third, we should conscientiously carry out the tasks for the second half of the year and effectively improve our services. With their own actual conditions in mind, all departments and units should discuss how to further carry out positive education, how to intensify reform, and how to implement the measures for the conduct of the "double increase, double economy" campaign. Provincial-level organs should serve basic units as one of their functions. All organs and cadres should always keep basic units in mind and be eager to meet their needs, and they should provide quality and prompt service to the latter. After reviewing the province's economic work over the first half of the year, Comrade Gu Xiulian called for doing a good job in three aspects in the second half of the year:

1. It is necessary to extensively carry out the "double increase, double economy" campaign and to fulfill all economic tasks in an all-around way.
2. Efforts should be made to intensify the reform of the economic structure. At the same time, it is necessary to put the reform of the political structure on the agenda.
3. It is essential to effectively improve the work style of all offices and to serve basic units better.

Comrade Gu Xiulian emphatically pointed out: In accordance with the unified plan of the party Central Committee and the State Council, the stress in the reform of the economic structure in the second half of the year should continue to be put on increasing the vitality of enterprises, especially large and medium-sized ones, and on reforming enterprises' operations and mechanisms and their leadership system. Efforts should also be made to accelerate the reform of the system of circulation and the financial system. Necessary preparations should be made for carrying out related reforms in various fields in the next phase. The reform of the political structure should also be put on the agenda, and preparations for this should be made ideologically and in public opinion. Experiences should be gained in restructuring government organs in selected medium-sized cities. Provincial-level organs should do everything possible to support the restructuring of government organs in such selected cities.

JIANGXI LEADERS AT MILITIA REFORM MEETING

0W060113 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 4 Jul 87

[Excerpt] A meeting of directors of People's Armed Forces departments at the provincial, prefactual, and county levels opened in Nanchang today. The purposes of the meeting were to assess the situation in the militia work since the reorganization of Peoples Armed Forces Department in the past year, sum up and exchange experiences, and commend advanced units and individuals. Another purpose was to inherit and pass on the fine tradition of the party exercising leadership over militia work in bringing into full place the functions of People's Armed Forces Departments, mobilizing positive factors in the local governments and militia units, and promoting the work of the departments, thereby enabling Jiangxi to become a national forerunner in the militia and reserve service work and contribute more to the building of the two civilizations.

Entrusted by chairman of the provincial People's Armed Forces Committee Wan Shaofen, Wang Guande, its vice chairman and political commissar of the provincial military district, chaired the morning session today. Qian Jiaming, vice governor, delivered the opening speech. Wang Baotian, Standing Committee member of the provincial party committee, vice chairman of the provincial People's Armed Forces Committee, and commander of the provincial Military District, made a report on adapting to the new situation in strengthening the construction of People's Armed Forces departments in Jiangxi. [passage omitted]

JIANG CHUNYUN APPOINTED SHANDONG'S ACTING GOVERNOR

OW021048 Beijing Domestic Service in Mandarin 0930 GMT 2 Jul 87

[From the "National Hookup Program"]

[Text] According to a decision adopted at the 26th Session of the Standing Committee of the 6th Shandong Provincial People's Congress, Jiang Chunyun has been appointed vice governor of Shandong. Since the governor's office is vacant, the meeting decided that he will also be acting governor. Jiang, 57, used to be deputy secretary of the Shandong Provincial CPC Committee and secretary of the Jinan Municipality. Former Governor Li Changan has been reappointed to assume another post. The meeting accepted his request to resign from the governorship.

SHANDONG'S LIANG BUTING ATTENDS FAREWELL SOIREE

SK040601 Jinan Shandong Provincial Service in Mandarin 2200 GMT 3 Jul 87

[Text] A soiree was held at the provincial gymnasium on the evening of 3 July to send off the Huang He 10,000-km photography and investigation team. Leading comrades of the provincial party committee, Advisory Commission, People's Congress Standing Committee, government and CPPCC Committee, including Liang Buting, Lu Maozeng, Jiang Chunyun, Gao Changli, Sai Feng, Lin Ping, Zhu Qimin, and Ding Fangming; Central Advisory Commission Member Zhao Lin; and veteran comrade of the province Qin Hezhen were present at the soiree. They received some members of the investigation team and (Liu Xiaoqing) and other noted performers who came to perform before the soiree started.

The Huang He 10,000-km photography and investigating activities were launched by the Shandong University photographic society and was attended by 25 teachers and students of the university and influential photographic workers of our province. Starting from where Huang He empties into the sea in mid-July, the investigation team expects to travel nine provinces and regions, totaling more than 10,000 km, and reach the source of Huang He in 100 days or more. It will take pictures and conduct social investigations during the journey.

At the soiree, Comrade Lu Maozeng presented the team flag to the investigation team. Noted performers Liu Xiaoqing, Yu Jinjian, and others stated colorful programs.

SHANDONG'S LIANG ATTENDS PLA ART EXHIBITION

SK020730 Jinan Shandong Provincial Service in Mandarin 2200 GMT 1 Jul 87

[Excerpts] Some 160 exquisite artistic works with the elegant demeanor of our Army were put on display at the exhibition hall of the Jinan Military Region from 1 July. The exhibition was jointly sponsored by the Political Department and Cultural Department of the Jinan Military Region, the Shandong branch of the Chinese Artists' Association, and the provincial art gallery in order to mark the 60th anniversary of the founding of the Chinese PLA. [passage omitted]

Viewing the exhibition were leading comrades of the province and the Jinan Military Region, including Liang Buting, Jiang Chunyun, and Song Qingwei. Through selections, some of the works put on display this time will be shown at the national exhibition on artistic works on military affairs which will be held in Beijing to mark the 60th anniversary of the founding of the PLA.

GUANGDONG'S LIN ON STRAIGHTENING OUT PARTY STYLE

HK050257 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 4 Jul 87

[Excerpts] The provincial party committee held a meeting this morning to report on the experiences of various provincial organs in straightening out party style. Ye Xuanping, deputy secretary of the provincial party committee and governor, presided at the meeting. Provincial CPC Committee Secretary Lin Ruo and Deputy Secretary Wang Ning made important speeches on how to straighten out party style at present. [passage omitted]

While fully affirming the achievements of the provincial organs in straightening out party style in the past year, Wang Ning proposed that three issues should be tackled well in future work: 1) Resolutely eliminate and correct bureaucratism. 2) Get a good grasp of correcting sectoral malpractices. 3) Tangibly strengthen inner-party supervision.

Comrade Lin Ruo said: Straightening out party style must be done in a resolute and sustained way. It is also necessary to link the work with reality. All erroneous things must be corrected. Lin Ruo emphasized: To do a good job in the two main tasks for this year, we must correctly understand and resolutely implement the line since the 3d Plenary Session of the 11th CPC Central Committee. The four cardinal principles are our fundamental thing in building and governing the country. Reforms, opening up, and invigoration are general principle and policy for building the four modernizations. These two points form a unified and indivisible entity. Lin Ruo hoped that the provincial organs and units will step up study, clarify their thinking, do a good job in party style and discipline, speed up the pace of reform, and strive for still greater success.

HENAN ARMED POLICE HOLD PARTY CONGRESS

HK030159 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 2 Jul 87

[Excerpts] The first party congress to be held by the provincial armed police since its establishment solemnly opened in Zhengzhou today. Provincial party, government, and army leading comrades Yang Xizong, Yao Minxue, Zhang Zhigang, Zhan Jingwu, Zhang Shude, Cyui Guanghua, and others attended. [passage omitted]

Speaking on behalf of the provincial party committee and the Henan Military District party committee, Comrade Yang Xizong said: Since its formal establishment in November 1982, the provincial armed police force has seriously implemented the line since the 3d Plenary Session of the 11th CPC Central Committee and carried out its work centering on reform and opening up. It has satisfactorily fulfilled all its tasks. [passage omitted]

Comrade Yang Xizong said in conclusion: In the struggle to criticize bourgeois liberalization, the armed police units must make unremitting efforts to carry out positive education and integrate this with regular education in ideals and discipline, in democracy and legal system, and in the situation and policies, and also with the unit's professional training and duties. They should strive to create more new experiences to set an example for the people of the province.

Li Guangjin, director of the provincial Public Security Department and first political commissar of the provincial armed police force, delivered the opening speech. Lu Yongsheng, political commissar of the force, delivered a work report on behalf of the previous party committee.

SICHUAN'S YANG RUDAI OUTLINES COMING TASKS

HK030109 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 2 Jul 87

[Excerpts] According to SICHUAN RIBAO, provincial CPC Committee Secretary Yang Rudai made a speech at the conclusion of the provincial party representatives conference on 30 June. He proposed views on work in the second half of the year and called on the party committees and party members throughout the province to make still greater efforts on the basis of the relatively good achievements scored in the first half of the year, clear the way to forge ahead, and victoriously fulfill the tasks for the whole year. Comrade Yang Rudai said: Half of 1987 has now gone. In the first half of the year the party organizations throughout the province have done a lot of work centering on the two main tasks for this year proposed by the central authorities. [passage omitted]

In accordance with the spirit of the central instructions and the views discussed by the provincial CPC Committee Standing Committee, Yang Rudai proposed the following tasks for the second half of the year:

1. Reach a more all-round and correct understanding of the line of the Third Plenary Session, hold firm to its two basic points and their mutual relationship, and overcome and clear away influence and interference from ossification and liberalization.
2. Consolidate and develop the fruits of party rectification, and step up regular party building in conditions of reform and opening up.
3. Promote reform consciousness, carry out work in a sound and careful way, and deepen the province's urban and rural economic structural reforms.
4. Pay great attention to agriculture -- the foundation -- display the spirit of waging arduous struggle, and continue to deepen the double increase and double economy drive.
5. Strengthen education in the party's program, strictly adhere to the responsibility system, and wage a resolute struggle against bureaucratism.

SICHUAN'S YANG RUDAI ATTENDS THEORISTS FORUM

HK040207 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 3 Jul 87

[Excerpts] According to SICHUAN RIBAO, on 26 June provincial CPC Committee Secretary Yang Rudai invited a number of theory workers in the Chengdu area to a forum to discuss how to fully and correctly understand and implement the party's line since the 3d Plenary Session of the 11th CPC Central Committee and how to further emancipate the mind, overcome resistance, and unswervingly push ahead with reforms. The participants freely aired their views and put forward many good suggestions on eliminating ossified thinking and stepping up theoretical studies and media propaganda in economic structural reform.

The forum first discussed the question of the initial stage of socialism, stressing that China is now in the initial stage of socialist development. The forum then discussed the question of the criteria for the productive forces. It held that the fundamental task of socialism is to develop the social productive forces. The forum proceeded to discuss questions of theory and practice in developing socialist commodity economy.

The participants held that during the socialist stage, it is essential to fully develop socialist commodity economy. At present certain outdated concepts are constraining people's thinking.

Some of the comrades also pointed out that at present many lessons in political economy have not broken away from the outdated structural setup, and their contents are obsolete. It is essential to remodel tradition political economy studies, to ensure that this topic can fully reflect the practical experience in socialist development.

Comrade Yang Rudai spoke at the conclusion of the meeting. He said: Since the 3d Plenary Session of the 11th CPC Central Committee, the theory workers in Sichuan have done a lot of work, but we must also realize that recently our theoretical study of reform has weakened. I hope everyone will continue to make efforts to go deep into the practice of reforms, seriously study the new situations and problems, and promote the deepening of reforms.

Yang Rudai said: To bring into play the heralded role of theory, we must break down outdated, obsolete, and ossified theoretical viewpoints. An important task on the theory front at present is to eliminate various erroneous things attached to socialism and clear the way for reforms. It is necessary to further deepen understanding of the two basic points in the line since the 3d Plenary Session of the 11th CPC Central Committee and their mutual relationship. [passage omitted]

He said: Bourgeois liberalization must be resolutely opposed, and ossified concepts must be resolutely eliminated. We must overcome resistance and speed up the pace of the reform and the development of social productive forces. [passage omitted]

SICHUAN'S YANG ENDORSES LAND CONTRACT SYSTEM

HK040209 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 3 Jul 87

[Text] Shifang County has broken down the pattern of equal land contracts and instituted a free contract method, thus promoting further improvement of the land contract responsibility system. Provincial CPC Committee Secretary Yang Rudai fully endorsed this method when he visited the county in early June.

Conducting investigations in the townships and towns, the principal leading comrades of the county party committee and government discovered that in some villages some peasant households were already holding consultations of their own accord for transferring contracted land to others. The village groups were also acting as a bridge in helping the peasant households to readjust the contracted land. The county authorities promptly summed up and studied these methods. They decided that in places where the conditions were ripe, peasants should be permitted to contract more, less or no land in the light of the local production structure and the actual situation of each household.

Since last winter, 713 villagers groups in 95 villages in the county have made decisions on whether to contract land or not and how much to contract in the light of the local proportion of nonagricultural workers and the local farmland area. Since this method was adopted, some 5,000 peasants who were working in commerce and other nonagricultural undertakings have surrendered their contract land. In addition, some 2,000 able hands in field cultivation are now contracting more land than before. They are thus even more enthusiastic for field cultivation.

XILANG'S WU SPEAKS ON USE OF TIBETAN LANGUAGE

HK050147 Lhasa Xizang Regional Service in Mandarin 1030 GMT 4 Jul 87

[Excerpts] The presidium of the Fifth Session of the Fourth Xizang Regional People's Congress held its fifth enlarged meeting this morning to study and discuss the question of learning, using, and developing the Tibetan language. Ngapoi Ngawang Jigme, vice chairman of the NPC Standing Committee and permanent chairman of the session presidium, presided and made an important speech on the historical roots of Tibetan, its process of development, its current status, and the importance of learning and using it. [passage omitted]

The meeting was attended by regional party and government leaders including Wu Jinghua, Zhang Xiangming, Doje Cering, Basang, and Mao Rubai. [passage omitted]

Ngapoi Ngawang Jigme stressed in his speech: The majority of the inhabitants of Xizang are Tibetans. The region is basically inhabited by a single minority nationality. Tibetan is the common tongue of the region. The spoken and written languages have a history of some 1,300 years. [passage omitted]

Regional party committee Secretary Wu Jinghua and government Chairman Doje Cering also spoke at the meeting. They stressed that using minority-nationality spoken and written languages in minority-nationality regions and attaining true equality of languages accords with Marxist theory, with the constitution and the law, and also with the party's nationality policy and the aspirations of the people of Xizang. Strategically, we must resolve to learn, use, and develop Tibetan and strive to promote true equality of languages. Tactically, we must base the work on reality, proceed with caution and steadiness, and carry out this work in a planned and gradual way.

After the leading comrades had spoken, the participants in the meeting held animated discussions on how to study, use, and develop the Tibetan language and achieve equality of spoken and written languages. The meeting decided to submit a number of regulations on the study, use, and development of the Tibetan language to the Fifth Session of the Fourth Regional People's Congress for discussion.

XING CHONGZHI COMMENDS HEBEI CPC MEMBERS

OW060010 Beijing XINHUA Domestic Service in Chinese 1358 GMT 29 Jun 87

[By reporter Yang Shuxun]

[Text] Shijiazhuang, 29 Jun (XINHUA) -- The Hebei Provincial CPC Committee held a radio and television meeting tonight to ceremoniously commend advanced primary party organizations and outstanding party members.

Leading comrades of the provincial party committee awarded silk banners to 90 advanced primary party organizations and issued badges and certificates to 107 outstanding Communists.

Xing Chongzhi, secretary of the Hebei Provincial CPC Committee, spoke at the meeting. He praised them as outstanding representatives of the primary party organizations and the party members in the province. Xing Chongzhi also delivered a television speech on party building to all CPC members in Hebei Province.

BEIJING ELECTS 61 DEPUTIES TO PARTY CONGRESS

SK291040 Beijing BEIJING RIBAO in Chinese 19 Jun 87 p 1

[Excerpts] On behalf of the approximately 830,000 Communist Party members throughout the municipality, 61 comrades will attend the 13th National Party Congress. These deputies were elected at yesterday's Beijing Municipal Conference of Party Delegates. [passage omitted]

According to statistics, among the 302 nominated units, more than 260,000 party members from 151 units directly participated in discussions for the nomination of candidates to be elected as deputies, accounting for 31 percent of the municipality's total number of party members. Some deputies were nominated at enlarged meetings of the party committees (party organs) of 151 units where party members are more in number. Concerning the preliminary namelist of 341 candidates for deputy, the departments concerned have listened to suggestions offered by party organizations and party members of the units one after another. Based on discussions and nominations of various units, in early May, the municipal party committee held its 11th enlarged plenary meeting to hold further discussions. After conducting two elections by secret vote, a preliminary namelist of 74 candidates for deputy was elected. This namelist was submitted to the central authorities for examination and discussion. The namelist was adopted in principle. After full discussion, delegates to yesterday's municipal conference of party delegates agreed to take the preliminary namelist as the namelist of candidates for election as deputies by voting from a larger number of candidates. [passage omitted]

JILIN'S GAO ATTENDS POLITICAL, LEGAL WORK FORUM

SK050329 Changchun Jilin Provincial Service in Mandarin 2100 GMT 4 Jul 87

[Excerpts] The 3-day provincial political and legal work forum held by the provincial party committee concluded on 4 July. Gao Di, secretary, and Wang Zhongyu, deputy secretary of the provincial party committee, attended and addressed the forum. Li Changjiu, secretary of the Political and Legal Commission of the provincial party committee, relayed the guidelines of the national political and legal work forum.

The forum reviewed and summarized the successful achievements scored in our province's campaign to deal strict blows to crime, analyzed the current public security situation and its development trend, further clarified the basic guiding ideology for political and legal work, and worked out plans for future political and legal work. [passage omitted]

The forum further defined: In future political and legal work of our province, we should consider the two basic points of the line adopted since the 3d Plenary Session of the 11th CPC Central Committee as the general principle; uphold the four cardinal principles with a clear-cut stand; safeguard the political situation of stability and unity; enthusiastically ensure and support reform, opening up, and economic invigoration; and create a social order of sustained stability for building socialism with Chinese characteristics. We should continue to deal blows, according to the law, to all hostile elements who undermine the socialist system, and continue to adhere to the principle of dealing strict and prompt blows to elements guilty of serious criminal offenses according to the law and sternly punish those guilty of serious economic offenses. We should [words indistinct] all serious violent crimes, arson, theft, robbery, rape and, in particular, crimes committed by hooligan gangs, so as to maintain the prestige of the campaign. [passage omitted]

JILIN'S GAO ATTENDS SUMMING-UP MEETING

SK020720 Changchun Jilin Provincial Service in Mandarin 2100 GMT 1 Jul 87

[Text] The provincial meeting to sum up party rectification work was held in Changchun on the morning of 1 July. The meeting was aimed at relaying the guidelines of the national meeting to sum up party rectification work, summing up the provincial party rectification work, and studying how to consolidate and develop the achievements scored in party rectification and to strengthen regular party building.

Du Qinglin, Standing Committee member of the provincial party committee and director of the Organization Department of the provincial party committee, presided over the meeting held on 1 July. Gao Di, secretary of the provincial party committee, relayed the guidelines of the national meeting on summing up party rectification. Wang Zhongyu, deputy secretary of the provincial party committee, made a report entitled "A Basic Summary of Provincial Party Rectification, the Consolidation and Development of the Achievements in Party Rectification, and the Further Strengthening of Party Building."

In his report, Comrade Wang Zhongyu said: Under the guidance of the central authorities and the Central Party Rectification Guidance Commission, thanks to the unremitting effort of party organizations at all levels and the vast number of party members throughout the province, our province has scored achievements in party rectification. After party rectification, progress has been made in the fields of ideology, work style, discipline, and organizations; and the three serious impurities inside the party have been eliminated to some extent.

Through the conscientious and systematic study of the party rectification documents, we have eliminated the remaining influence of leftist ideas, clarified many confused ideas, further enhanced the understanding of line, principles and policies followed since the 3d Plenary Session of the 11th Party Central Committee, further unified the thinking of party members throughout the province, and intensified consciousness in maintaining political unanimity with the central authorities. In addition, the party's fine tradition and work style have been carried forward and party style has been improved further.

Comrade Wang Zhongyu pointed out: Some problems also exist in party rectification, which has lasted for 3 and 1/2 years. For instance, in the course of striving to eliminate the leftist erroneous ideas, we have paid insufficient attention to eliminating the rightist erroneous tendencies; a seamy side still exists in some fields of party style; the abuse of powers for personal gain, law and discipline violations, and the bureaucracy of being seriously irresponsible for the work have not been thoroughly revealed or conscientiously examined and dealt with; orders and prohibitions have not been strictly enforced in the field of strengthening discipline and purifying organizations; and lax discipline remains inside the party.

Comrade Wang Zhongyu stressed: Consolidating and developing the achievements in party rectification and achieving success in party building in the new period constitute an important task of party organizations at all levels, and ensuring the comprehensive implementation of the line defined by the 3d Plenary Session of the 11th Party Central Committee constitutes the major task for party building. Party organizations at all levels in the province should further strengthen the education on ideology and theory among party members in order to constantly improve their ideological and political expertise, and should continue to correct unhealthy practices by straightening out party style in a sustained and penetrating manner.

At present the focus should be placed on correcting such malpractices as abusing one's powers to seek personal gain, being irresponsible at work, paying no attention to work efficiency, the ultra-individualism of scrambling for power, fame and gain, and using public funds to give banquets and gifts to indulge in extravagant wining and dining. Party organizations at all levels in the province should further strengthen the building of leading bodies in order to keep abreast of the demands of the new situations and new tasks, should further strengthen the building of the party in order to enhance the party's fighting capacity, should persist in strict administration and supervision over the party in order to strictly enforce party discipline, and should actually separate party work from government work in strict accordance with the principle of the party managing the party's affairs.

Attending the meeting were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission. Also attending were secretaries of various city and prefectural party committees and discipline inspection commissions; [words indistinct] and responsible persons of departments concerned.

Meeting Concludes 3 Jul

SK040650 Changchun Jilin Provincial Service in Mandarin 2100 GMT 3 Jul 87

[Text] The provincial meeting to summarize party rectification concluded in Changchun on 3 July. Comrade Gao Di delivered a speech at the meeting, stressing the need to strengthen party building on a regular basis after party rectification.

During the meeting, the participating comrades studied and discussed Premier Zhao Ziyang's speech and Comrade Bo Yibo's report delivered at the national conference to summarize party rectification work. They also discussed Comrade Wang Zhongyu's party rectification summary report delivered on behalf of the provincial party committee. Based on the actual conditions of our province, they appraised the achievements and problems of this party rectification in a realistic manner, summarized experiences and lessons, and studied strengthening party building on a regular basis during the new period. Comrades from seven cities, prefectures, and an autonomous prefecture, and responsible comrades of the provincial Discipline Inspection Commission, and Organization and Propaganda Departments gave speeches on improving the party's ideological and theoretical levels and organizations and workstyles.

Based on experiences and lessons gained over the history of party development, Comrade Wang Daren delivered a speech on ways to correctly understand and implement the line adopted since the 3d Plenary Session of the 11th party Central Committee and strengthen party building on a regular basis.

Through the study and discussions, participating comrades came to a further understanding of the importance of strengthening the building of the ruling party, and clarified the guiding ideology, basic tasks, and requirements for strengthening party building during the new period.

Comrade Gao Di said in his speech: The party rectification, which lasted for 3 1/2 years, has enabled the entire party to achieve improvements in the four fields of ideology, workstyle, discipline, and organization; accumulate important experiences in correctly handling inner-party contradictions and problems; and lay a fairly good foundation for strengthening party building on a regular basis. We should note, however, that problems and defects existed in this party rectification. The conclusion of the concentrated party rectification. The conclusion of the concentrated is not the termination of party building. Rather, it is the beginning of regular party building. Party building is a protracted process of historical development, and a task that should be carried out on a regular basis. Party building should be strengthened as long as the party exists. Upholding the four cardinal principles is a long-term task, so is the task of carrying out reform, opening up, and economic invigoration persistently, and still more so is the task of strengthening party building.

Speaking on the major tasks for party building, Gao Di said: In ensuring the implementation of the line adopted since the 3d Plenary Session of the 11th party Central Committee, the key lies in educating the masses of party members to correctly and comprehensively understand the line followed since the 3d Plenary Session and to continuously enhance their awareness in implementing this line. We should not judge the four cardinal principles with an ossified point of view, nor should we judge the general principle of reform, opening up, and economic invigoration with the viewpoint of liberalization.

Comrade Gao Di stressed: We should further improve the party's ideological and theoretical levels. Only when we have mastered the fundamental tenets of Marxism can we correctly understand and implement the party's line, principles, and policies. To study the fundamental theory of Marxism is the basic task for party building and a task of top priority. At present we should mainly study well the two books: "Uphold the Four Cardinal Principles and Oppose Bourgeois Liberalization," and "Build Socialism With Chinese Characteristics." Comrade Deng Xiaoping's speech on reform of the party and state leadership systems has now been reissued. We should organize cadres, leading cadres in particular, to conscientiously study this important speech so that they will be well prepared mentally for the 13th Party Congress.

Comrade Gao Di pointed out: To improve party leadership it is necessary to adhere to the principle the party should take charge of party affairs, should separate party affairs from government affairs, should bring into better balance the relationship between the party and the government from the higher levels downward, and should enable them to carry out their own duties so that they will perform their respective functions more successfully.

Comrade Gao Di also mapped out specific plans for current major work. He pointed out: In agriculture, we should pay attention to preventing floods. This year the weather is changeable, and therefore we should strengthen preventive work. River dikes should be reinforced, [words indistinct], and removal of obstacles should be stepped up. Low temperatures and early frost still pose a great threat to agricultural production. We should adopt measures to combat low temperatures, promote early ripeness, and prevent early frosts. We should extensively popularize polyethylene mulching for next year's agricultural production. We should start preparations now, [words indistinct], and achieve a major breakthrough in the utilization of the polyethylene for agricultural use next year. We should also pay attention to the storage, management, conversion, and use of grain and truly turn grain into a superior achievement in our province.

Speaking on industry, Comrade Gao Di said: The situation in the first half of this year was fairly good. The second half is when we will have difficulties. We should grasp more firmly the campaign to increase production, practice economy, increase revenues, and reduce expenditures, with the focus on improving quality and reducing material consumption and various funds. In the second half of this year, we should continue to deepen reform and popularize the contract system in all professions and trades and in every level within an enterprise so that enterprises can be completely invigorated. We should promote the lateral cooperation of enterprises and should rely on large enterprises to lead and transform small ones, rely on state-owned enterprises to lead collective ones, and rely on scientific research unit and colleges and universities to facilitate the development of technology and production.

On the people's living standards, Comrade Gao stressed: We should grasp well two issues. One issue is urban residential housing construction. We should pool social financial resources to build houses collectively. When we reduce expenses, we should not reduce residential housing construction. The other issue is commodity prices. We should keep prices stable and low. Commercial departments should work out measures to stabilize prices.

Comrade Wang Zhongyu presided over the session on 3 July. He gave specific plans for way to implement the guidelines of the meeting. Leading comrades of the provincial party committee, Advisory Commission, People's Congress, government, CPPCC Committee, and Discipline Inspection Commission were present at that day's session. Also present were secretaries of various city, prefectural, and autonomous prefectural party committees; secretaries of their discipline inspection commissions; directors of their organization and propaganda departments and party rectification offices; and responsible persons of various provincial departments.

GANSU'S LI ZIQI DISCUSSES TOWNSHIP ENTERPRISES

HK040249 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 3 Jul 87

[Excerpts] A provincial conference on township and town enterprises, which concluded in Tianshui on 3 July, proposed in the future it is essential to grasp development of the enterprises with one hand and improvement of their standards with the other. Provincial CPC Committee Secretary Li Ziqi gave a number of views on this question:

1. Continue to implement the principle of seeking truth from facts, basing efforts on reality, taking advantage of strong points, and living according to one's means. We must avoid rushing into mass action and also avoid mutual rivalry. The departments in charge must strengthen macroeconomic management and control these enterprises, and step up feasibility studies and comprehensive evaluation of the various projects.
2. Development of these enterprises must be based on the millions of households. In particular, in poor areas we can adopt the method of having the households invest in a decentralized way in the development of township and town enterprises and domestic industry. [passage omitted]

The whole province should bring about a change in the guiding idea on running township and town enterprises by switching from focusing on launching projects to focusing on increasing variety and improving variety of products, enhancing management and standards, and raising economic results and competitiveness. We should promote lateral economic ties at more levels and in more forms. [passage omitted]

Provincial CPC Committee Deputy Secretary Hou Zhongbin gave a summation. He called on the township and town enterprises in the province to improve through market competition, to develop through applying the law of value, and to forge ahead through deepening the reforms. They should strive to climb to a new level.

SHAANXI'S BAI ADDRESSES PARTY REPRESENTATIVES

HK040139 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 3 Jul 87

[Excerpts] The Shaanxi provincial party representatives conference concluded on 3 July after 5 days in session. Provincial CPC Committee Secretary Bai Jirian, speaking at the closing ceremony, called on the party members, especially the leading party cadres, throughout the province to boldly stand in the forefront of implementing the line since the 3d Plenary Session of the 11th CPC Central Committee, adhere to the four cardinal principles, and actively plunge into the practice of reform, opening up, and invigoration, to ensure that the party's work this year will be still more fruitful and effective and to greet the 13th Party Congress with practical deeds.

On the basis of fully displaying party democracy, the conference elected by secret ballot 37 provincial delegates to attend the 13th Party Congress. The number of candidates exceeded the number of slots.

Zhou Yaguang, deputy secretary of the provincial party committee, presided at the closing ceremony. Comrade Bai Jinian spoke on the main tasks for the second half of the year.

Bai Jinian stressed: It is essential to ensure more accurate and all-round understanding and implementation of the line since the 3d Plenary Session of the 11th CPC Central Committee. He said: There are two basic points in this line: Adhere to the four cardinal principles, and persevere in reform, opening up, and invigoration. These two basic points are unified and as close as lips and teeth. Both are indispensable. In understanding and implementing the line of the Third Plenary Session in an all-round way, we must hold firm to these two basic points and consistently maintain a firm and correct political orientation. This is the fundamental prerequisite for ensuring that our work will be still more fruitful and effective.

Comrade Zhao Ziyang recently pointed out that we must at present pay attention to continually eliminating and overcoming the erroneous trends of viewing the two basic points from the viewpoints of bourgeois liberalization or ossification. We must adhere to the four cardinal principles, resolutely oppose the trend of bourgeois liberalization, and by no means allow it to run rampant.

Bai Jinian said: In the 8 years since the Third Plenary Session, we have carried out the necessary and correct action in clearing away the pernicious influence of leftism. Throughout the entire process of reform and opening up, we must continually break down outdated, stagnant, and ossified viewpoints and the influences of old habitual forces, and we must go further in advocating emancipation of the mind and encouraging bold exploration.

Bai Jinian also introduced the current situation in urban economic structural reform and in rural reform in Shaanxi. He said: In the second half of the year, while continuing to carry out economic structural reform, we must make preparations in various respects for political structural reform. First, we must make ideological preparations.

He said: Political structural reform involves millions of people. It is an extremely arduous and long-term task. All of us must be concerned for, study, and promote political structural reform with tremendous political enthusiasm and a strict spirit of seeking the truth.

Bai Jinian stressed in his speech: We must uphold the idea that the party must govern the party. Summed up, this means taking care of the implementation of the party's line, principles, and policies and taking care of the party's building in ideology, work style, and organization, and the building of its leadership groups. At present we should focus on opposing and correcting unhealthy trends of abusing power, bureaucratism, extreme individualism, and liberalism. He said: Opposing bureaucratism is not only a major content of building party style but is also an urgent demand advanced by economic and political structural reforms. To eliminate bureaucratism, we must wage struggle against the remnants of feudalism and against decadent bourgeois ideology, and firmly abolish the idea of loving the masses and serving the people wholeheartedly. [passage omitted]

During the conference, Bai Jinian also delivered a report entitled "Raise Party Building in Shaanxi to a New Level on the Basis of Party Rectification." The report summed up party rectification in the province in a truth-seeking way and gave specific views on further strengthening party building. Zhang Boxing, deputy secretary of the provincial party committee and governor, spoke on continuing to implement the principle of reform, opening up, and invigoration, and fulfilling the province's economic tasks. Mao Shengxian, member of the provincial party committee Standing Committee and director of the Propaganda Department, made a speech entitled "Launch in Depth Positive Education in the Two Basic Points of the Party Line Since the 3d Plenary Session of the 11th CPC Central Committee."

CABINET ADOPTS DECISION TO LIFT MARTIAL LAW

OW030427 Taipei Domestic Service in Mandarin 2300 GMT 2 Jul 87

[Text] At an ad hoc meeting on the evening of 2 July, the Executive Yuan adopted detailed regulations for the implementation of the National Security Law during the period of communist rebellion and a decision on lifting martial law in the Taiwan region. The two items will be sent to the Legislative Yuan for deliberation before they are submitted to the president, so that the president will announce the lifting of martial law in the Taiwan region soon.

Since the meeting adopted the two important items, Premier Yu Kuo-hua has instructed the ministries and commissions concerned to make necessary preparations to meet the new circumstances after martial law is lifted.

Premier Yu Comments

OW041142 Taipei Domestic Service in Mandarin 2300 GMT 30 Jun 87

[Text] Yu Kuo-hua, premier of the Executive Yuan, reiterated in a recent interview the government's determination to implement political reform, and called on all people to make joint efforts to maintain the dignity of the law and the security of society.

Premier Yu pointed out: The government has made fairly good progress in actively implementing political reform. This includes formulation of the National Security Law during the period of mobilization for suppression of communist rebellion, and the detailed regulations for its implementation, and the lifting of the emergency decree slated to be realized in July. In addition, an organic law for people's groups will be enacted to promote activities of political parties, and reconsideration given to removing restrictions on registration of newspapers and on their number of pages. All these will be put into effect, one after another. In the meantime, positive efforts are being made to study such questions as beefing up the parliamentary organizations at the central level and improving the self-government structure in various localities with a view to bringing our country's constitutional democracy to a brand-new stage.

While our government is devoted to political reform, the street movements launched by a small number of people and the so-called self-assistance activities in a few localities have nonetheless produced very harmful effects on social order and on implementation of the norm of rule by law. With regard to those who demonstrate and make trouble in the streets in the future, Premier Yu said, the departments concerned will be wronged and no unlawful people will be allowed to escape, and their criminal liabilities will be investigated and, if necessary, dealt with according to law.

Legislative Proposal

OW040316 Taipei CNA in English 0242 GMT 4 Jul 87

[Text] Taipei, June 4 (CNA) -- The Executive Yuan Friday forwarded both a proposal to lift the emergency decree and the enforcement regulations for the national security law to the Legislative Yuan for screening and endorsement.

The Executive Yuan's proposal to lift the emergency decree and a similar proposal made by 43 legislators have been scheduled for discussion during a full legislative session next Tuesday. Meanwhile, the enforcement regulations for the security law will be screened by the Legislative Yuan's Interior, Defense and Judicial Committees.

The emergency decree was promulgated by the president on Dec. 10, 1948 according to the temporary provisions effective during the period of Chinese Communist rebellion. On May 19, 1949, the Taiwan Garrison Command proclaimed a state of emergency in the Taiwan area due to the demands of the situation at that time. The proclamation was later approved by both the Executive Yuan and the Legislative Yuan.

The Executive Yuan, in the explanation attached to the proposal forwarded to the Legislative Yuan Friday, indicated that only a small portion of the emergency decree aimed at preventing Chinese Communist infiltration and subversive activities has been imposed in the Taiwan area over the past 38 years. The social stability resulting from the implementation of the emergency decree is one of the major factors in attaining the rapid economic and political developments in Taiwan, it said.

But due to changes in the nation's internal and external situation, it added, the government decided to lift the emergency decree according to Article 58 of the Constitution in order to create a new environment for the further development of constitutional democracy in the nation.

The legislators' proposal to lift the emergency decree, if passed, will be submitted to the president to act as a legal basis for ending the emergency decree period according to Article 39 of the Constitution.

Papers Comment

0W040339 Taipei CNA in English 0249 GMT 4 Jul 87

[Text] Taipei, July 4 (CNA) -- Commenting on the Executive Yuan's passage of a proposal to lift the emergency decree, three local newspapers said in editorials Friday that the passage has not only demonstrated the government's sincerity in further promoting democracy but has also opened a new era for the nation's constitutional democracy.

The newspapers urged the public to treasure this achievement by paying more respect to the rule of law and by adopting a correct attitude towards democracy and national development.

The CENTRAL DAILY NEWS said all cabinet members, in compliance with President Chiang Ching-kuo's directive, worked late Thursday evening to screen the enforcement regulations for the National Security Law and to approve a proposal to lift the emergency decree.

The Legislative Yuan will soon request that the president revoke the emergency decree after approving the proposal forwarded to it by the Executive Yuan, thus bringing to the nation a new era for the implementation of democracy, the paper said.

The Republic of China is expected to become a more democratic, free, prosperous and advanced nation after the implementation of the National Security Law which aims to maintain social stability and prevent Chinese Communist infiltration while protecting the people's rights and interests, the paper said.

The YOUTH DAILY NEWS said it hopes the government will institute laws to regulate public assemblies, associations and street marches after the administrative decrees issued during the emergency decree period become null and void.

The paper said a series of political reforms implemented by the government since last year has not only won international acclaim but also set a new milestone in the nation's history of democracy. The people should treasure this achievement and strengthen their sense of the rule of law in order to create a brighter future for the nation, it said.

The SHIN SHENG DAILY NEWS urged people to adopt new concepts, to abide by the law, and to establish correct attitudes toward social and national development in order to lay a solid foundation for constitution rule.

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ZHANG JINGFU MEETS WITH HONG KONG BUSINESSMEN

OW011724 Beijing XINHUA in English 1443 GMT 1 Jul 87

[Text] Beijing, July 1 (XINHUA) -- Chinese State Councillor Zhang Jingfu met a group of international businessmen from Hong Kong here today.

The group is led by Martin Barrow, chairman of Jardine Matheson (China) Ltd.

Zhang said maintaining Hong Kong's long-term stability and prosperity needs not only friendly cooperation between the Chinese and the British Governments but also joint efforts of the people from the economic and other circles in Hong Kong.

He stressed that properly handling economic relations and strengthening economic cooperation between China's mainland and Hong Kong is important to both sides.

In response, Barrow said the next ten years are a key decade and it is quite necessary to maintain constant dialogues between businessmen in Hong Kong and relevant departments of the Chinese Government.

He said it is encouraging that economic ties between Hong Kong and the mainland have registered a steady increase over the past few years. The volume of two-way trade between them in the first five months this year rose by 50 percent over the same 1986 period, he added.

During the one-hour meeting, Zhang and the Hong Kong visitors exchanged views on a wide range of issues, including further improving the investment climate and raising labor productivity on the mainland.

ASSURANCE GIVEN ON POST-1997 ROLE OF PLA

HK010527 Hong Kong HONGKONG STANDARD in English 1 Jul 87 p 9

[Text] As sensitive as the Government machinery is, the question of garrisoning Chinese groups in Hong Kong in the run-up to 1997 has still to be considered.

The Sino-British Joint Liaison Group has commissioned a subgroup to study problems involved. It held a working session a month ago in London.

Senior Chinese officials who were unwilling to be identified told the STANDARD recently that China understands Hong Kong people's apprehensions about the People's Liberation Army (PLA). Some people fear it will be used to intervene in Hong Kong affairs after 1997.

But these officials quote China's paramount leader, Mr Deng Xiaoping, as saying that as a matter of sovereign right, the Chinese armed forces have to be stationed in Hong Kong after 1997 just as Britain keeps troops here now. They also assure that PLA forces would not interfere with the administration of the Special Administrative Region [SAR].

The officials add that this being the case, the strength of the PLA contingent will not necessarily be the same as the British force. Again they quote Mr Deng who once suggested a strength of 5,000 men.

Apart from acting as a symbol of China's sovereignty over the territory, the Chinese officials say the garrison would assume some light roles in defence and internal security.

They acknowledged that as far as national defence is concerned, the strategic importance of Hong Kong to China would be far less than that to the United Kingdom.

After 1997, the territory will be under the umbrella of the PLA South Sea Fleet and the PLA Guangzhou Unit.

The PLA in Hong Kong would be part of the overall deployment, though it might come directly under the Central Military Commission seated in Beijing, rather than the regional chiefs.

Stationing troops in the SAR would ensure that there will be no over-expansion of the police force. "If there was no PLA garrison here, the police would be the only reliable force for maintenance of internal security in normal times as well as during an emergency.

"Extra resources and manpower would be needed to enable the police to tackle emergencies. That would not only increase the financial burden of the SAR government, but also might become a destabilising factor," they said.

The Chinese officials did not say explicitly under what circumstances the police would constitute a threat.

But THE STANDARD understands that a potential threat of an over-expanded police force could arise from strikes or even mutinies by the police.

So a PLA garrison, funded by the Chinese central government according to the Joint Declaration, could take up duties to reinforce the police in case of emergency, the Chinese official said.

The Basic Law Drafting Committee, the panel under the Chinese National People's Congress to draw up a constitution for post-1997 Hong Kong, has agreed that the PLA garrison might be mobilised at the request of the SAR chief executive to assist in the event of natural disasters or civil riots.

Since China does not regard despatch of troops to Hong Kong before 1997 as advisable, early removal of the British garrison could create a "defence vacuum," apart from giving the impression that Britain is abandoning Hong Kong earlier than expected.

On the other hand, the longer the British troops stay on, the longer the British and Hong Kong governments have to shoulder the financial burden. But this might also impede the smooth transfer.

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So for the sake of prudence, China expects Britain to phase out its troops gradually and in close liaison with China's plans.

In principle, Beijing has agreed to beef up the police force and other auxiliary units, such as the Hong Kong Regiment, to take up some responsibilities like border patrolling from the British army.

Also under consideration are such matters as transfer to barracks, documents and other related equipment. China has proposed that a joint commission of defence officials study all technical problems relating to troop withdrawal, transfer and expansion of the police and other units.

MACAO

MELANCIA'S APPOINTMENT AS GOVERNOR ANNOUNCED

HK050500 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 5 Jul 87 p 2

[Excerpt] Portuguese President Mario Soares yesterday appointed Mr Carlos Melancia as Governor of Macao to replace Mr Joaquim Pinto Machado who resigned on May 30.

Mr Melancia, 60, will take the oath of office in Lisbon on Thursday.

He is an electronics engineer who held cabinet posts in industry, communications and sea resources under Mr Soares who was prime minister three times before his election to the presidency last year.

He is regarded as a close associate of Mr Soares.

The official announcement in Lisbon confirmed earlier reports from Macao that Mr Machado [had resigned]. [passage omitted]

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